ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE CITY OF PARRY SOUND IN THE PROVINCE OF ONTARIO

Applicant

MOTION RECORD OF THE APPLICANTS

(Returnable May 13, 2025)

May 8, 2025

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ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

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ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE CITY OF PARRY SOUND IN THE PROVINCE OF ONTARIO

Applicant

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TAB 1

Court File No. BK-25-03205249-0031

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

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Applicants

NOTICE OF MOTION (CCAA Initial Order) (returnable May 13, 2025)

Shaw-Almex Industries Limited ("SAIL") and Shaw Almex Fusion, LLC ("Fusion" and together with SAIL, the "Applicants") will make a motion before Justice J. Dietrich of the Ontario Superior Court of Justice (Commercial List) at 330 University Avenue, Toronto Ontario (the "Court") on May 13, 2025 at 10:00 a.m. (Eastern Time), or as soon after that time as the motion can be heard at Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

□in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made	
without notice;	
□in writing as an opposed motion under subrule 37.12.1 (4);	
⊠In person;	
□Bv telephone conference:	

☐ By video conference.

at the following location:

330 University Avenue, Toronto, Ontario

THE MOTION IS FOR:

- an Order substantially in the form attached as Tab 3 (the "Initial Order") to the Applicants'
 Motion Record (the "Motion Record") that, among other things:
 - (a) abridges the notice periods and validates service of the motion record;
 - (b) continues the NOI Proceeding (as defined herein) commenced by SAIL under the purview of the CCAA;
 - (c) declares that the Applicants are each a "debtor company" to which the CCAA applies;
 - (d) appoints FTI Consulting Canada Inc. ("FTI") as the court-appointed monitor of the Applicants (in this capacity, the "Monitor");
 - (e) grants a stay of all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the current directors or officers of the Applicants, or affecting the Applicants' Business or any of the Applicants' current and future assets, licences, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Property"), except with the written consent of the Applicants and the Monitor, or with leave of the Court, until May 30, 2025 (the "Stay of Proceedings");
 - (f) authorizes the Applicants to borrow up to a maximum principal amount of approximately \$1,800,000 to finance the Applicants' working capital requirements

and to pay the costs and expenses of this proceeding, as more fully described in the first amended and restated debtor-in-possession loan agreement (the "Amended DIP Term Sheet") between the Applicants and Royal Bank of Canada ("RBC" in its capacity as lender under the Amended DIP Term Sheet, the "DIP Lender");

- (g) grants the following charges over the Applicants' Property, which charges ("Charges") shall rank in priority to all other security interests, trusts, liens, charges and encumbrances in favour of any person:
 - (i). First an "Administration Charge" in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants, in connection with this CCAA proceeding; and
 - (ii). Second a "DIP Lender's Charge" as security for the Applicants' obligations under the Amended DIP Term Sheet, in the maximum principal amount of \$1,800,000 plus fees and interest;
- (h) authorizes the Applicants to pay, with the consent of the Monitor and the DIP Lender, up to the maximum amount of \$250,000 owing to their suppliers for critical goods or services actually supplied to the Applicants prior to March 29, 2025 if, in the opinion of the Applicants and the Monitor, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Property of the Applicants during the CCAA proceedings;
- (i) authorizes Fusion to act as the foreign representative of the Applicants in respect

of this proceeding for the purpose of having these CCAA proceedings recognized and approved in a jurisdiction outside of Canada, including in the United States pursuant to Chapter 15 of Title 11 of the United States Code (the "Bankruptcy Code"); and

- (j) grants certain enhanced powers to the Monitor;
- 2. an order (the "SISP Approval Order") substantially in the form attached as Tab 5 to the Applicants' Motion Record that, among other things:
 - (a) approves and directs the Applicants and the Monitor to perform a sale and investment solicitation process with respect to the Applicants' Business (as defined below) and/or Property in accordance with the terms set out in the SISP Approval Order (the "SISP");
 - (b) approves the SISP attached as Schedule "A" to the SISP Approval Order; and
 - (c) authorizes and directs the Monitor and the Applicants to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and the SISP Approval Order;
- 3. an order (the "**Discharge Order**"), substantially in the form attached as Tab 6 of the Applicants' Motion Record that, among other things:
 - (a) approves the activities and conduct of FTI in its capacity as proposal trustee (in such capacity, the "Proposal Trustee") as set out in the First Report of the Proposal Trustee dated April 24, 2025 (the "First Report");
 - (b) approves the fees and disbursements of the Proposal Trustee and its legal counsel, as described in the Proposal Trustee's Pre-Filing Report, to be filed, (the

"Pre-Filing Report");

- (c) discharges FTI as the Proposal Trustee upon the termination of the NOI Proceedings; and
- (d) provides for a release of the Proposal Trustee, counsel to the Proposal Trustee and counsel to SAIL from all claims, liabilities and obligations of any kind based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the proposed Discharge Order in any way relating to the NOI Proceeding or with respect to their conduct in the NOI Proceeding, other than any claim or liability arising out of gross negligence or willful misconduct; and
- 4. such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Background and Overview

- 5. The material facts, including the Applicants' corporate history and structure, operations and assets, creditors and financial position are set forth in detail in the Affidavit of Andrew Hustrulid sworn May 8, 2025 (the "Hustrulid Affidavit").
- 6. The Applicants are in the business of providing customized solutions for all aspects of conveyor belt systems (the "Business"). SAIL is the parent company of a global enterprise operating under the "Shaw Almex" name (the "Almex Group"). The Almex Group has 15 locations, plus exclusive distributors, across six continents worldwide.
- 7. The Business was commenced over sixty-seven years ago in Parry Sound, Ontario as a small, family-run operation. Since that time, the Business has grown significantly and

become an industry leader with over 2,500 customers across 123 countries worldwide. Their customers are in a diverse range of industries including mining, steel mills, ports, power generation, package handling, and aerospace.

- 8. SAIL is the primary operating company of the Almex Group. SAIL manufactures the majority of the products supplied by the Almex Group and ships them to its subsidiaries or local distributors worldwide. SAIL's Canadian operations are supported by approximately 80 employees: 45 salaried employees and 35 union employees.
- 9. The other principal manufacturing operation of the Almex Group is conducted by Fusion in the United States. Specifically, Fusion primarily manufactures Almex presses and Fusion rubber products. Fusion's operations were supported by approximately 30 employees, however, as part of the Applicants' operational restructuring, 17 of these employees have been laid off.
- Other than SAIL and Fusion, the other principal manufacturing operations of the Almex Group are conducted by three of SAIL's subsidiaries: Shaw Almex Mine Equip. (Tianjin) Co. Ltd. in China, Fonmar Group S.L. in Spain, and Shaw Almex Pacific Pty. Ltd. in Australia.
- 11. The remaining companies within the Almex Group operate primarily as sales and distribution centres with limited ability to modify or finish machinery being shipped from North America to their local markets.

Financial Challenges

12. While the Business has been successfully operating for over 70 years, the Applicants have experienced significant financial and operational challenges over the past 24 months that have caused an acute liquidity crisis that has imperiled the Almex Group.

- 13. The financial challenges currently facing the Applicants are associated with, among other things, significant issues securing a new reliable supplier of rubber, increased operational costs due to external market factors, insufficient financial reporting and controls overseen by the former Chief Financial Officer, and losses suffered as a result of currency hedging transactions.
- 14. In light of these challenges and the Applicants' cash flow crisis, SAIL filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**NOI Proceeding**") to provide it with breathing room to pursue a restructuring of the Business.
- 15. Within the NOI Proceeding, the Court granted an order that, *inter alia*,
 - (a) authorized SAIL to borrow up to a maximum principal amount of \$1,000,000 under a debtor-in-possession credit facility from the DIP Lender (the "DIP Facility") and granted a corresponding DIP Lender's Charge; and
 - (b) granted an Administration Charge in the amount of \$350,000.
- 16. Given the international nature of the Almex Group's operations, the Applicants are now seeking relief under the CCAA in order to stabilize the Applicants' local and international operations and preserve the optionality of filing international recognition proceedings.

Need for CCAA Relief

- 17. As of December 31, 2024, the Applicants' liabilities significantly exceed the book value of their assets by approximately \$32 million.
- 18. The Applicants are facing a severe liquidity crisis with the need for urgent financing and a Stay of Proceedings. The Applicants require immediate protection under the CCAA to

permit it to restructure its affairs in an orderly manner to preserve employment, maximize recovery for stakeholders, and avoid liquidation.

19. If the requested relief is granted under the CCAA, the Applicants intend to work with the Monitor to implement a comprehensive operational and financial restructuring plan with appropriate milestones for such restructuring. The restructuring plan will include, among other things, the implementation of the SISP (as defined herein) with the assistance of the Monitor and their other advisors and downsizing certain aspects of the Business and exploring avenues to decrease operational costs.

Conversion to CCAA Proceeding

- 20. The Applicants seek to continue the NOI Proceeding under the CCAA pursuant to section 11.6 of the CCAA. Given the complicated factual and legal issues currently facing the Applicants, the CCAA is the best forum for these insolvency proceedings and presents the best possible chance of maximizing value for all stakeholders of the Applicants.
- 21. The Monitor supports the Applicants' motion to continue the NOI Proceeding under the CCAA.

The CCAA Applies

- 22. The Applicants are not able to meet their obligations as they become due and are insolvent.
- 23. The Applicants are each a company to which the CCAA applies.
- 24. The claims against the Applicants exceed \$5 million.

Stay of Proceedings

- 25. The Applicants seek a Stay of Proceedings up to and including May 30, 2025. The Applicants require a Stay of Proceedings, including in respect of secured parties, to prevent creditors from taking enforcement steps.
- 26. The intention of the Stay of Proceedings is to provide the Applicants with the necessary breathing room to preserve value and stabilize the Business as a going concern while developing a viable restructuring plan for the benefit of all stakeholders.
- 27. Without the benefit of the Stay of Proceedings, the Applicants' creditors are likely to take enforcement steps against the Applicants, which will disrupt the operation of the Business. Accordingly, the Stay of Proceedings is necessary and in the best interests of the Applicants and their stakeholders.
- The Applicants have acted and will continue to act with good faith and with due diligence.No creditors will be materially prejudiced by the Stay of Proceedings.
- 29. The cash flow statement ("Cash Flow Forecast"), prepared by the Applicants, with the assistance of the Monitor, demonstrates that the Applicants will have sufficient cash flow to operate during the Stay of Proceedings with the use of the Amended DIP Term Sheet.
- 30. The Monitor is supportive of the Stay of Proceedings.

Appointment of FTI as Monitor

- 31. FTI has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval.
- 32. FTI is a well-recognized insolvency trustee firm with substantial CCAA experience in Ontario. FTI is also a leading business consulting firm that will provide valuable advice to the Applicants during the restructuring process.
- 33. As required under the CCAA, FTI is a trustee within the meaning of section 2 of the BIA and is not subject to the restrictions set out in section 11.7(2) of the CCAA.
- 34. The involvement of the Monitor as an officer of this Court will lend stability and assurance to the Applicants' stakeholders.
- 35. The Applicants request that the Monitor be granted certain enhanced powers as further specified in the draft Initial Order. In particular, the DIP Lender requires that the Monitor have certain enhanced powers as a prerequisite to lending further funds under the DIP Facility. The Applicants are agreeable to the Monitor being granted enhanced powers.

Approval of the Amended DIP Term Sheet and DIP Lender's Charge

36. The Cash Flow Forecast prepared by the Applicants, with the assistance of FTI, indicates that the Applicants urgently need interim financing to fund the costs of ongoing operations and these CCAA proceedings. Specifically, the Cash Flow Forecast demonstrates that the Applicants require access to an additional approximate amount of \$800,000 in interim financing to meet the Applicants' ordinary course of business and restructuring expenses during the Stay of Proceedings.

- 37. The Applicants secured debtor-in-possession financing from their senior secured creditor, RBC under the DIP Facility. Pursuant to the Amended DIP Term Sheet, the DIP Lender has agreed to increase the interim financing provided to the Applicants under the DIP Facility to the maximum principal amount of up to approximately \$1,800,000.
- 38. The Applicants believe that the terms of the Amended DIP Term Sheet are fair and reasonable in the circumstances. The Applicants also believe that the Amended DIP Term Sheet represents the best available interim financing arrangement that could be arranged by the Applicants within the time frame needed to meet the Applicants' cash flow needs.
- 39. The Amended DIP Term Sheet is critical to permitting the Applicants to preserve the going concern operations and avoiding the destruction of value that would result from a shutdown of operations. If the Business is forced to shut down, the Applicants would immediately suffer an irreparable loss in asset value given that some of their assets—their goodwill and reputation, client relationships, and accounts receivable—require an operating Business to retain value.
- 40. The availability of the Amended DIP Term Sheet is conditional upon, among other things, the Court's approval of the Initial Order approving the Amended DIP Term Sheet, the granting of the DIP Lender's Charge in the amount \$1,800,000 over the Applicants' Property and the Monitor being provided with enhanced powers to assist with the restructuring of the Business. Such powers will include, *inter alia*, causing the Applicants to terminate employees, administering the Property and operations of the Applicants, and executing all documents and writings on behalf of the Applicants and in the name of the Applicants to carry out the duties of the Monitor.
- 41. The DIP Lender's Charge is proposed to rank subordinate to the Administration Charge and to BDC's mortgage. The DIP Lender's Charge will secure all the funds advanced to

- the Applicants under the Amended DIP Term Sheet. The DIP Lender's Charge will not secure any obligations incurred prior to the filing of the NOI Proceedings.
- 42. The amount of the DIP Lender's Charge in the Initial Order is limited to the amount available under the Amended DIP Term Sheet which is the amount that is reasonably required to fund the Applicants' operations for the duration of the Stay of Proceedings.
- 43. The Monitor is supportive of the approval of the Amended DIP Term Sheet and the DIP Lender's Charge.

Administration Charge

- 44. In the NOI Proceeding, the Court granted an Administration Charge in the amount of \$350,000.
- 45. The Applicants seek to continue that Administration Charge over the Property of the Applicants to secure the fees and disbursements of counsel to the Applicants, the Monitor, and counsel to the Monitor incurred in connection with these CCAA proceedings. The Applicants propose the Administration Charge remain the same at \$350,000.
- 46. The Administration Charge is proposed to rank in priority to all other security interests and charges.
- 47. The Administration Charge is necessary as the Applicants require the expertise, knowledge and continued participation of their advisors and professionals during these CCAA proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge have a distinct role in the Applicants' restructuring.
- 48. The quantum of the Administration Charge is reasonable and appropriate.

49. The Monitor supports the Administration Charge.

Ability to Pay Critical Pre-Filing Obligations with Approval of the Monitor and DIP Lender

- 50. The Applicants require authorization to pay pre-filing amounts owing to certain critical third-party suppliers and contractors, in order to reduce the risk of any potential disruption to their ongoing projects. These payments will only be made with the consent of the Monitor and the DIP Lender.
- 51. It is necessary to authorize the payment of these pre-filing amounts as these critical third-party suppliers and contractors are integral to the Business of the Applicants and will likely discontinue critical ongoing services in the event that the Applicants cease to pay them in the ordinary course.

Chapter 15 Proceedings

- 52. The Applicants have operations and valuable business and trade relationships with a number of parties in the United States. Contemporaneously with the commencement of the CCAA proceeding, the Applicants are considering initiating a case in the United States Bankruptcy Court under Chapter 15 of the Bankruptcy Code.
- 53. In the proposed Initial Order, the Applicants are seeking to authorize Fusion to act as the foreign representative in respect of the within proceedings and apply for foreign recognition of these proceedings under Chapter 15 of the Bankruptcy Code.

Approval of the SISP

54. The Applicants also seek the SISP Approval Order, which approves the SISP. The Applicants, in consultation with the Monitor and DIP Lender, have developed a SISP,

- which is a comprehensive process intended to widely canvass the market for one or more transactions to sell or invest in the Applicants' Business.
- 55. To complement the Applicants' ongoing operational restructuring efforts, the Applicants have determined that it is critical that they conduct a sale and investment solicitation process. Accordingly, the Applicants, with the assistance of its advisors, and in consultation with the Monitor and the proposed DIP Lender, have developed the SISP.
- 56. The SISP was developed taking into account the Applicants' financial circumstances and the amount of financing available under the Amended DIP Term Sheet.
- 57. The SISP is intended to widely expose the Applicants' Business to the market and provide a structured and orderly process for interested parties to perform due diligence and submit offers for a broad range of potential transactions (including sale, refinancing, recapitalization, and liquidation).
- 58. The SISP contemplates a two-phase sale process that will be administered by the Monitor over approximately six weeks. The SISP is designed to culminate in the closing of a transaction by no later than July 4, 2025.
- 59. The SISP contemplates the following key milestones and deadlines:

Milestone	Deadline
Commencement of the SISP	May 2, 2025
Deadline for the submission of letter of intents	No later than 5:00 p.m. (Toronto Time) on May 22, 2025
Monitor to advise parties if they are a "Qualified Bidder"	No later than 5:00 p.m. (Toronto Time) on May 26, 2025
Deadline for the submission of binding offers	No later than 5:00 p.m. (Toronto Time) on

	June 12, 2025
Closing of transaction(s) arising from the SISP	No later than July 4, 2025

- 60. The Applicants are of the view that a Court-supervised SISP under the CCAA will be the most cost-efficient and effective means of maximizing creditor recovery.
- 61. The SISP provides that the Monitor may extend the above deadlines, in consultation with the Applicants and the consent of the DIP Lender, without Court approval. The ability to extend deadlines provides the Monitor with the necessary flexibility to maximize the Applicants' success in the SISP.
- 62. The SISP satisfies the criteria in CCAA, s 36, which the Court considers in determining whether to approve a sale outside of the ordinary course of business.
- 63. The Monitor has advised it is supportive of the SISP.

Discharge Order

- 64. The Applicants are requesting approval of the Proposal Trustee's fees and activities and the fees of its counsel, as set out in the Pre-Filing Report.
- 65. The Applicants are also seeking to discharge the Proposal Trustee if the Initial Order is granted.
- 66. The proposed Discharge Order provides for a release of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Applicants from all claims, liabilities and obligations of any kind based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the proposed

Discharge Order in any way relating to this NOI Proceeding or with respect to their conduct in the NOI Proceeding, other than any claim or liability arising out of gross negligence or wilful misconduct on the part of the Released Parties (as defined in the Discharge Order).

Further Grounds

- 67. The Initial Order, including the quantum of the Charges, is limited to the relief necessary to maintain the status quo and protect the going-concern nature of the Applicants' Business during the Stay of Proceedings.
- 68. The Initial Order affords the Applicants the breathing room necessary to stabilize their operations and enables them to conduct a SISP.
- 69. In accordance with the CCAA, the Applicants will serve the Motion Record on all secured creditors likely to be affected by the Charges.
- 70. The provisions of the CCAA, including but not limited to, sections 2(1), 3(1), 10(2), 11.02, 11.2, 11.52, 11.6, 11.7, and 23.
- 71. Rules 1.04(1), 2.01(1), 2.03, 3.02, 37 and 39 of the *Rules of Civil Procedure*, RSO 1990, Reg 194.
- 72. The inherent and equitable jurisdiction of this Court.
- 73. Such further and other grounds as counsel may advise and this Honorable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

74. the Hustrulid Affidavit and the exhibits attached thereto:

- 75. the Consent of FTI to act at the Monitor;
- 76. the Pre-Filing Report of the Monitor; and
- 77. such further and other materials as counsel may advise and this Honorable Court may permit.

May 8, 2025

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IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE TOWN OF PARRY SOUND, IN THE PROVINCE OF ONTARIO

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at *Toronto*

NOTICE OF MOTION (RETURNABLE MAY 13, 2025)

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Court File No. BK-25-03205249-0031

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE TOWN OF PARRY SOUND, IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF ANDREW HUSTRULID (Sworn May 8, 2025)

I, ANDREW HUSTRULID, of the City of Bonita Springs in the State of Florida, MAKE OATH AND SAY:

- 1. I am the Senior Vice President of Global Services of Shaw-Almex Industries Limited ("SAIL") and Shaw Almex Fusion, LLC ("Fusion" and together with SAIL, the "Applicants"), which are the Applicants in this proceeding. I have been engaged by SAIL since 2014 in a variety of roles culminating in my current one, and I have also recently been referred to as the chief of operations. As such, I have personal knowledge of the matters set out below unless otherwise stated to be based on information and belief. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
- 2. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.
- 3. On March 29, 2025 (the "Filing Date"), SAIL filed a Notice of Intention to Make a Proposal

("NOI") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "NOI **Proceeding**"). FTI Consulting Canada Inc. ("FTI") was appointed as proposal trustee in the NOI Proceeding (in that capacity, the "**Proposal Trustee**"). Attached hereto and marked as **Exhibit** "A" is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal for SAIL.

- 4. On April 25, 2025, the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an order ("Stay Extension Order") that, among other things,
 - (a) extended the time to file a proposal in the NOI Proceeding until May 13, 2025;
 - (b) authorized SAIL to borrow up to a maximum principal amount of \$1,000,000 under a debtor-in-possession credit facility (the "DIP Facility") from the Royal Bank of Canada ("RBC" or the "DIP Lender"); and
 - (c) granted the following charges, with the priority amongst them as set out below:
 - (i) First an "Administration Charge" in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to be incurred by FTI, counsel to FTI, and counsel to SAIL, in connection with the NOI Proceeding; and
 - (ii) Second a "DIP Lender's Charge" as security for SAIL's obligations under the DIP Facility, in the maximum principal amount of \$1,000,000 plus fees and interest.

A copy of the Stay Extension Order is attached hereto as **Exhibit "B"**.

- 5. This affidavit is submitted in support of the Applicants' motion seeking an Order (the "Initial Order") from the Court pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "CCAA") that, among other things:
 - (a) abridges the notice periods and validates service of the motion record;

- (b) continues the NOI Proceeding commenced by SAIL under the purview of the CCAA;
- (c) declares that the Applicants are each a "debtor company" to which the CCAA applies;
- (d) appoints FTI as the Court-appointed monitor of the Applicants (in this capacity, the"Monitor");
- (e) grants a stay of all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the current directors or officers of the Applicants, or affecting the Applicants' business or any of the Applicants' current and future assets, licences, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Property"), except with the written consent of the Applicants and the Monitor, or with leave of the Court, until May 30, 2025 (the "Stay of Proceedings");
- (f) authorizes the Applicants to borrow up to a maximum principal amount of \$1,800,000 under the DIP Facility from RBC to finance the Applicants' working capital requirements and to pay the costs and expenses of this proceeding, as more fully described in the amended and restated interim financing term sheet (the "Amended DIP Term Sheet") between the Applicants and the DIP Lender;
- (g) grants the following charges over the Applicants' Property, which charges ("Charges") shall rank in priority to all other security interests, trusts, liens, charges and encumbrances in favour of any person:
 - (i) First an Administration Charge in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to

- be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants, in connection with this CCAA proceeding; and
- (ii) Second a DIP Lender's Charge as security for the Applicants' obligations under the Amended DIP Term Sheet, in the maximum principal amount of \$1,800,000 plus fees and interest;
- (h) authorizes the Applicants to pay, with the consent of the Monitor, up to the maximum amount of \$250,000 owing to their suppliers for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants and the Monitor, such payment is necessary or desirable to avoid disruption to the operations of the business or the Property of the Applicants during the CCAA proceedings;
- (i) authorizes Fusion to act as the foreign representative of the Applicants in respect of this proceeding for the purpose of having these CCAA proceedings recognized and approved in a jurisdiction outside of Canada, including in the United States Bankruptcy Court; and
- (j) grants the Monitor enhanced powers to facilitate the operations of the Applicants.
- 6. The Applicants also seek an order (the "SISP Approval Order") that, among other things, approves a sale, refinancing and investment solicitation process substantially in the form attached as Schedule "A" to the SISP Approval Order (the "SISP").
- 7. Lastly, the Applicants seek an order (the "**Discharge Order**") that, among other things:
 - (a) approves the activities and conduct of the Proposal Trustee as set out in the First Report of the Proposal Trustee dated April 25, 2025 (the "First Report");
 - (b) approves the fees and disbursements of the Proposal Trustee and its legal

counsel, as described in the Pre-Filing Report of the Monitor, to be filed ("Pre-Filing Report"); and

- (c) discharges FTI as Proposal Trustee in connection with the NOI Proceeding; and
- (d) releases the Proposal Trustee, counsel to the Proposal Trustee and counsel to SAIL from all claims, liabilities and obligations of any kind based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the proposed Discharge Order in any way relating to the NOI Proceeding or with respect to their conduct in the NOI Proceeding, other than any claim or liability arising out of gross negligence or willful misconduct.

I. OVERVIEW

- 8. The Applicants are in the business of providing customized solutions for all aspects of conveyor belt systems (the "Business"). SAIL is the parent company of a global enterprise operating under the "Shaw Almex" name (the "Almex Group"). The Almex Group has 15 locations, plus exclusive distributors, across six continents worldwide. Through these locations, the Applicants service customers across 123 countries worldwide.
- 9. As described in further detail below, while the Business has been successfully operating for over 70 years, the Applicants have experienced significant financial and operational challenges over the past 24 months that have caused an acute liquidity crisis that has imperiled the Almex Group.
- 10. The financial challenges currently facing the Applicants are associated with, among other things, significant issues securing a new reliable supplier of rubber, increased operational costs due to external market factors, insufficient financial reporting and controls overseen by the former Chief Financial Officer, and losses suffered as a result of currency hedging transactions.

- 11. In light of these challenges and the Applicants' cash flow crisis, SAIL commenced the NOI Proceeding in order to pursue a restructuring of the Business with a principal focus on the implementation of a SISP. Given the international nature of the Almex Group's operations, the Applicants are now seeking relief under the CCAA in order to stabilize the Applicants' local and international operations and preserve the optionality of filing international recognition proceedings, if necessary.
- 12. The relief sought by the Applicants on this motion is therefore intended to:
 - stabilize and preserve the going concern operations of the Applicants for the benefit of their stakeholders, including their approximately 500 global employees,
 80 Canadian employees, suppliers, customers and lenders;
 - (b) allow the Applicants to conduct an operational restructuring including downsizing certain aspects of their operations and exploring avenues to decrease operational costs;
 - (c) provide the Applicants with working capital to complete certain orders in order to generate cash flow for the Applicants; and
 - (d) give the Applicants the breathing room to implement the SISP, with the ultimate goal of maximizing value for the Applicants' stakeholders and the continuation of the Business as a going concern.
- 13. The Applicants have been in frequent discussions with their primary stakeholder RBC with respect to this motion and the Applicants' restructuring plans. I understand that RBC is supportive of the requested relief as it is providing the DIP Facility in this CCAA proceeding. I also understand that the Monitor is supportive of the requested relief.

II. BACKGROUND OF THE APPLICANTS

A. The Business of the Applicants

- 14. The Applicants are in the business of providing state-of-the-art conveyor belt vulcanizing equipment technology, services and expertise. The Business leverages cutting-edge engineering and technology to provide customized solutions for all aspects of conveyor systems including development, setup, training, monitoring, and maintenance.
- 15. I am advised by Tim Shaw, the president of SAIL, that the Business was commenced over sixty-seven years ago in Parry Sound, Ontario as a small, family-run operation. Since that time, the Business has grown significantly and become an industry leader with over 2,500 customers across 123 countries worldwide. Their customers are in a diverse range of industries including mining, steel mills, ports, power generation, package handling, and aerospace.

B. The Corporate Structure

- 16. SAIL is incorporated pursuant to the *Ontario Business Corporations Act*, RSO 1990, c B16. A copy of the Ontario profile report for SAIL is attached hereto as **Exhibit "C"**.
- 17. Fusion is an indirect subsidiary of SAIL that was organized pursuant to the laws of the state of Georgia in the United States of America. A copy of the certificate of organization is attached hereto as **Exhibit "D"**.
- 18. SAIL and Fusion are part of the global Almex Group. The Almex Group also has 16 other entities, which are all direct and indirect subsidiaries of SAIL. Each of the subsidiaries of SAIL are described in further detail below:
 - (a) Almex Peru S.A.C.: distributor of Almex presses and Fusion products in Peru, as well as a providing maintenance services for Almex presses;
 - (b) Almex Fusion de Mexico, S de R.L. de C.V.: distributor of Almex presses and

- Fusion products in Mexico, as well as a providing maintenance services for Almex presses;
- (c) <u>Shaw Almex Pacific Pty. Ltd.:</u> manufacturer, seller and distributor of presses for the Australian market;
- (d) <u>Shaw Almex Africa (Pty) Ltd:</u> operating company in South Africa that is responsible for the distribution, sourcing and supply of presses and products;
- (e) <u>PT. Shaw Almex Indonesia:</u> operating company in Indonesia that is responsible for the distribution, sourcing and supply of presses and products;
- (f) <u>Shaw Almex Deutschland GmbH:</u> this is a dormant entity that previously operated as a distributor for presses in Europe;
- (g) Almex Holdings, Inc.: holding company for Fusion;
- (h) <u>Shaw Almex Europe B.V.:</u> distributor and service facility for presses in the Netherlands;
- (i) Shaw Alex Zambia Limited: service provider for mining customers in Zambia;
- (j) <u>Shaw Almex Mine Equip. (Tianjin) Co. Ltd.:</u> manufacturer, distributor and service provider for Almex presses in the Chinese market.
- (k) Shaw Almex Chile SpA.: distributor of Almex presses and Fusion products in Chile;
- (I) <u>Shaw-Almex Brazil Holdings Inc.:</u> operating company for the Brazil warehouse that performs services and work on Almex presses;
- (m) <u>Almex Industria do Brasil Limitada:</u> seller and distributor of presses for the Brazilian market;
- (n) Fonmar Group S.L.: manufacturer, distributor and service provider for Fonmar

- vulcanizing presses and related equipment; and
- (o) Rampart Detection Systems Ltd.: SAIL has a minority share holding in this company, which owns technology for conveyor belt non-destructive testing.

Attached hereto and marked as **Exhibit "E"** is the corporate structure of the Almex Group (the "**Corporate Chart**").

- 19. As illustrated by the Corporate Chart, the Almex Group also includes related entities that are not subsidiaries of SAIL. These entities are:
 - (a) Almex Panama, S.A: this company was formerly a provider of aftermarket support and onsite service work to the FQML Cobre mine in Panama, which I understand is in the process of being made a direct or indirect subsidiary of SAIL but which has not yet fully occurred;
 - (b) Shaw Almex Global Holdings Limited: I am advised by Tim Shaw that he owns this entity, which, along with its subsidiaries, holds various real estate locations used by some entities in the Almex Group; and
 - (c) Shaw-Almex Overseas Ltd.: I am advised by Tim Shaw this entity is owned by him and his siblings. It and its subsidiaries operate under the Almex name in India.

For clarity, these related entities are not affected by this CCAA proceeding.

C. The Applicants' Canadian Operations

- 20. SAIL is the primary operating company of the Almex Group. SAIL manufactures the majority of the products supplied by the Almex Group and ships them to its subsidiaries or local distributors worldwide.
- 21. SAIL operates its Canadian operations from four locations in Ontario:

- (a) a global manufacturing facility located at 17 Shaw Almex Road, Parry Sound ("Parry Sound Property"), which is owned by SAIL;
- (b) a head office at 323 Glover Road, Stoney Creek, which is leased; and
- (c) a office & manufacturing location at 743 Barton Street, Unit 3, Stoney Creek,
 Ontario, which is leased pursuant to a Commercial Lease dated July 3, 2024; and
- (d) a light manufacturing location at 103 Isabella Street, Parry Sound, which is leased on a month-to-month basis pursuant to an expired Commercial Lease Agreement.
- 22. SAIL also previously operated at a office location at 889 Barton Street, Unit 2, Stoney Creek, Ontario, but vacated that premises this week.
- 23. SAIL's Canadian operations are supported by approximately 80 employees: 45 salaried employees and 35 union employees. All of these employees are employed by SAIL and are located in Ontario.
- 24. SAIL's unionized employees, consisting of highly skilled trades and labourers, are governed by a Union Collective Agreement with United Steelworkers effective January 2024 for a term until December 2027.
- 25. SAIL provides all of its employees, whether unionized or non-unionized, with group benefits coverage through a group benefits plan administered by ClaimSecure Inc. The benefits plan is designed to assist eligible employees and their dependents by helping to cover the cost of some routine healthcare such as prescription drugs, dental care, and vision care. SAIL also provides all of its employees with global medical coverage through a plan administered by The Canada Life Group, as well as life and accidental death insurance through a plan administered by Industrial Alliance.

D. The Applicants' US Operations

- 26. Other than SAIL, the other principal manufacturing operation of the Almex Group is conducted by Fusion in the United States. Specifically, Fusion primarily manufactures Almex presses and Fusion rubber products.
- 27. Fusion operates its Business from a sales, manufacturing, and distribution facility located in Atlanta, Georgia.
- 28. The operations of the Applicants are functionally and operationally integrated, such that the Fusion's United States operations cannot operate independently of SAIL's Canadian operations.
- 29. Fusion's operations were supported by approximately 30 employees, however, as part of the Applicants' operational restructuring, 26 of these employees have been laid off. Some of the employees work from the facility in Georgia and others work virtually across the country. None of these employees are unionized.

E. The Applicants' International Operations

- 30. As noted above, the Almex Group has 15 locations, plus exclusive distributors, across six continents worldwide.
- 31. Other than SAIL and Fusion, the other principal manufacturing operations of the Almex Group are conducted by two of SAIL's subsidiaries: Shaw Almex Mine Equip. (Tianjin) Co. Ltd. in China and Fonmar Group S.L. in Spain. Shaw Almex Pacific Pty. Ltd. has recently begun manufacturing equipment in Australia as well.
- 32. The remaining companies within the Almex Group operate primarily as sales and distribution centres with limited ability to modify or finish machinery being shipped from North America to their local markets.

33. Globally, the Almex Group employs approximately 500 employees.

F. Banking and Cash Management System

- 34. SAIL has five bank accounts as follows:
 - (a) a Bank of Nova Scotia Canadian dollar bank account which is primarily used for the deposit of Canadian customer cheques, the receipt of customer wire and EFT payments, the payment of the wages of Canadian employees, and the payment of utility and supplier bills;
 - (b) a RBC Canadian dollar bank account that is primarily used for the payment of supplier bills, the receipt of customer wire and EFT payments, and the payment of bank loans, interest payments, and lease payments;
 - (c) a RBC USD bank account that is primarily used for the receipt of USD customer payments and the payment of supplier bills in the United States;
 - (d) a Bank of Nova Scotia USD bank account that is primarily used for the deposit of customer cheques that are in USD; and
 - (e) a HSBC USD bank account that is primarily used for the receipt of customer and intercompany payments that are in USD, the payment of supplier bills in the United States, the payment of wages of the US employees, and the payment of the United States' employee travel expenses.
- 35. SAIL previously had 16 credit cards with RBC, however, RBC has frozen these credit cards and they are no longer in use. Accordingly, SAIL has no active credit cards.
- 36. Fusion has two bank accounts as follows:
 - (a) a HSBC USD bank account that is primarily used for the payment of supplier bills,

- leases, utilities, and loans, as well as the receipt of customer payments; and
- (b) a Truist USD bank account that is primarily used for the payment of small local bills and petty cash.
- 37. Fusion has no credit card but does have a debit card tied to the Truist bank account.
- 38. In connection with these CCAA proceedings, the Applicants are seeking the authority to continue to operate the above-noted cash management system. I am advised by the Monitor that it will continue to monitor the receipts and disbursements from the Applicants' bank accounts during the CCAA proceeding in its capacity as Monitor. Maintaining the existing cash management system will offer a number of benefits to the Applicants and their stakeholders, including minimizing the disruption to the Business caused by the CCAA proceedings and avoiding the need to negotiate and implement alternative banking arrangements.

III. THE APPLICANTS'S ASSETS AND LIABILITIES

- 39. As of December 31, 2024, the Applicants' liabilities significantly exceed the book value of their assets by approximately \$32 million.
- 40. A copy of the most recent audited financial statements of each of the Applicants are attached as follows:
 - (a) independently audited financial statements of SAIL for the fiscal year ending December 31, 2022, is attached as **Exhibit "F"**; and
 - (b) independently audited financial statements of Fusion for the fiscal year ending December 31, 2022 is attached as Exhibit "G" (together, the "2022 FS").
- 41. The Applicants also prepared an unaudited, unconsolidated financial statement for the

fiscal year ending December 31, 2024 for both SAIL and Fusion (the "2024 FS"). The 2024 FS is attached as Exhibit "H".

A. Assets of the Applicants

- 42. The 2022 FS shows that as of December 31, 2022, SAIL had assets with a value of approximately \$25.7 million. The 2024 FS shows that as of December 31, 2024, SAIL's assets have decreased to a book value of approximately \$24.6 million.
- 43. As shown by the 2022 FS and the 2024 FS, the primary assets of SAIL are as follows:

ASSET	2022 FS (\$)	2024 FS (\$)
Cash	166,806	127,000
Accounts Receivable	4,949,613	4,105,000
Other Receivables	35,064	-
Sales Tax Recoverable	-	100,000
Inventories	7,639,068	5,047,000
Prepaid Expenses	162,219	187,000
Due from Related Parties	6,738,857	4,297,000
Property, Plant & Equipment	1,761,393	1,223,000
Assets under Capital Leases	1,267,781	929,000
Investments measured at Cost	1,744,962	1,745,000
Intercompany Long-Term Receivable	-	5,515,000
Long-term Receivable – Other Related Party	-	1,216,000
Due from Shareholder	1,258,794	-
Intangible Assets	38,676	46,000
Total Assets	\$25,700,000	24,600,000

- 44. The 2022 FS shows that as of December 31, 2022, Fusion had assets with a value of approximately \$6 million. The 2024 FS shows that as of December 31, 2024, Fusion's assets have decreased to a book value of approximately \$4.4 million.
- 45. As shown by the 2022 FS and the 2024 FS, the primary assets of Fusion include as follows:

ASSET	2022 FS (\$)	2024 FS (\$)
Cash	109,810	282,000
Accounts Receivable	2,288,863	142,000
Inventories	493,137	558,000
Other Receivables	-	131,000
Intercompany Receivable	-	36,000
Prepaid Expenses	482,215	1,084,000
Due from Related Parties	533,713	134,000
Plant and Equipment	2,146,587	467,000
Assets under Capital Leases	-	1,274,000
Total Assets	\$6,054,325	\$4,400,000

B. Liabilities of the Applicants

- 46. The 2022 FS shows that as of December 31, 2022, SAIL had liabilities of approximately \$35.9 million. The 2024 FS shows that as of December 31, 2024, SAIL's liabilities have increased to approximately \$45.7 million.
- 47. As shown by the 2022 FS and the 2024 FS, the primary liabilities of SAIL include the following:

LIABILITY	2022 FS (\$)	2024 FS (\$)
Bank Indebtedness	9,853,667	15,997,000
Accounts Payable and Accrued Liabilities	12,347,256	8,446,000
Prepayments	-	9,214,000
Due to Related Parties	2,908,356	-
Current Portion of Long Term Debt	-	883,000
Derivative Financial Instruments	482,910	2,104,000
Callable Long-Term Debt	6,196,470	8,796,000
Capital Lease Obligations	627,300	311,000
Class A Special Shares	3,490,095	-
Total Liabilities	\$35,906,054	\$45,751,000

- 48. The 2022 FS shows that as of December 31, 2022, Fusion had liabilities of approximately \$4 million. The 2024 FS shows that as of December 31, 2024, Fusion's liabilities have increased to approximately \$15.9 million.
- 49. As shown by the 2022 FS and the 2024 FS, the primary liabilities of Fusion include the

following:

LIABILITY	2022 FS (\$)	2024 FS (\$)
Accounts Payable and Accrued Liabilities	2,928,019	4,929,000
Deferred Revenue	-	190,000
Deferred Rent	109,242	-
Current Portion of Long Term Debt	-	820,000
Capital Lease Obligations	476,708	368,000
Capital Lease Obligations (non-current)	539,226	-
Long-Term Liability – Related Parties	-	9,600,000
Total Liabilities	\$4,053,195	15,907,000

IV. THE INDEBTEDNESS OF THE APPLICANTS

A. Secured Liabilities

50. As of March 2025, the Applicants owe approximately \$27.5 million to their secured creditors. The Applicants' primary secured creditors are RBC, Business Development Bank of Canada ("BDC"), BDC Capital Inc. ("BDC Capital"), two counterparties to agreements for the sale of future receipts, and various entities that advanced equipment financing to SAIL.

i. Indebtedness to RBC

- 51. RBC is the Applicants' principal secured creditor. SAIL has maintained a banking relationship with RBC (formerly HSBC Canada) since 2012. Over the course of this relationship, the parties have entered into various letter agreements, which have been amended and restated from time to time. RBC and SAIL's relationship is currently governed by an amended and restated facility letter dated January 27, 2023, as amended by a first amendment on March 26, 2024 (the "RBC Facility Letter"). A copy of the RBC Facility Letter is attached as Exhibit "I".
- 52. The RBC Facility Letter provides SAIL with a demand operating revolving loan facility in the maximum amount of \$15.5 million and a letter of guarantee facility to the maximum amount of \$500,000. Fusion is a secured guaranter of the obligations in the RBC Facility Letter.

- 53. As of March 18, 2025, the Applicants owe RBC \$15,589,239.09 and USD \$523,779.73, plus accrued and unpaid interest.
- 54. The obligations under the RBC Facility Letter are secured by, *inter alia*, the following:
 - (a) guarantees from the majority of SAIL's subsidiaries, including Fusion, as demonstrated by the chart attached as **Exhibit "J"**;
 - a general security agreement from SAIL in favour of RBC for all personal property and after-acquired property dated November 30, 2012, which is attached as Exhibit "K";
 - (c) a general security agreement from Fusion in favour of RBC for all personal property and after-acquired property dated December 13, 2012, which is attached as Exhibit "L";
 - (d) a general assignment of book debts from SAIL in favour of RBC dated November30, 2012, which is attached as **Exhibit "M"**;
 - (e) a share pledge agreement executed by SAIL with regard to the shares of all direct and indirect subsidiaries of SAIL other than Rampart Detection Services Ltd.;
 - (f) a personal guarantee and postponement of claims from Tim Shaw in favour of RBC in the limited amount of \$1,500,000 plus interest and charges; and
 - (g) a guarantee from Export Development of Canada, which guarantees 50 of the operating loan facility under the RBC Facility Letter up to a maximum amount of \$7,000,000.
- 55. The Ontario Personal Property Registry confirms that RBC has registered a security interest over SAIL's personal property. Attached as **Exhibit** "N" is a search of the Ontario Personal Property Registry for SAIL.

- 56. The UCC System in the US confirms that RBC has registered a security interest over Fusion's personal property. Attached as **Exhibit "O"** is a search of the UCC for Fusion.
- 57. As a result of the Applicants' liquidity issues, the Applicants were in default of certain obligations under the RBC Facility Letter. Accordingly, RBC and the Applicants entered into various forbearance agreements with RBC as follows:
 - on October 31, 2024, SAIL and its guarantors entered into a forbearance agreement with RBC wherein RBC agreed to forbear from enforcing its debt until November 13, 2024 and reduced the operating facility in the RBC Facility Letter to \$14 million. This forbearance agreement is attached as **Exhibit "P"**;
 - (b) on November 14, 2024, SAIL and its guarantors entered into a forbearance extension agreement with RBC wherein RBC agreed to forbear from enforcing its debt until November 22, 2024, when it was expected that SAIL would be able to cover certain debts through a \$10 million loan to be provided by Partners Capital Corporation (the "Proposed Equity Injection"). This forbearance agreement is attached as Exhibit "Q"; and
 - on December 9, 2024, SAIL and its guarantors entered into a second forbearance extension agreement wherein RBC agreed to forbear from enforcing its debt until January 31, 2025 to permit SAIL additional time to secure the Proposed Equity Injection. This forbearance agreement is attached as **Exhibit "R"**.

ii. Indebtedness to BDC

- 58. On December 17, 2021, SAIL entered into a letter of offer with BDC, which letter of offer was amended on March 22, 2024 (the "BDC Letter"). The BDC Letter provided SAIL with a loan from BDC for \$2,000,000. A copy of the BDC Letter is attached as Exhibit "S".
- 59. The obligations under the BDC Letter are secured by way of, among other things:

- (a) a first-ranking mortgage in the principal amount of \$2,000,000 granted by SAIL to
 BDC over the Parry Sound Property;
- (b) a general assignment of rents with respect to the Parry Sound Property;
- (c) guarantees from various of SAIL's subsidiaries as demonstrated by the chart attached as **Exhibit "J"**; and
- (d) a general security agreement by SAIL in favour of BDC.
- 60. The Land Registry confirms that BDC has a first-ranking mortgage over the Parry Sound Property in the principal amount of \$2,000,000. Attached as **Exhibit "T"** is a copy of the title search of the Parry Sound Property from the Land Registry Office.
- 61. Additionally, the Ontario Personal Property Registry confirms that BDC has registered a security interest over SAIL's personal property.
- 62. As of March 28, 2025, SAIL owes BDC \$1,823,340.28 plus fees under the BDC Letter.

iii. Indebtedness to BDC Capital

- 63. BDC Capital and SAIL have maintained a lending relationship since 2019. Over the course of this relationship, the parties have entered into various agreements, which have been amended and restated from time to time. BDC Capital and SAIL's relationship is currently governed by a letter of offer dated July 14, 2021 (the "BDC Capital Letter"). A copy of the BDC Capital Letter is attached as Exhibit "U".
- 64. The BDC Capital Letter establishes a credit facility in the amount of \$4.7 million (the "BDC Capital Loan").
- 65. The BDC Capital Loan is secured by way of, among other things:
 - (a) guarantees from various of SAIL's subsidiaries as demonstrated by the chart

attached as Exhibit "J";

- (b) a general security agreement by SAIL in favour of BDC Capital dated September15, 2021, which is attached as **Exhibit "V"**; and
- (c) a general security agreement by Fusion in favour of BDC Capital dated September 10, 2021, which is attached as **Exhibit "W"**.
- 66. The Ontario Personal Property Registry confirms that BDC Capital has registered a security interest over SAIL's personal property. In addition, the UCC System in the US confirms that BDC Capital has registered a security interest over Fusion's personal property.
- 67. On August 13, 2021, BDC Capital and HSBC (now RBC) entered into a priority agreement in which both parties mutually agreed that BDC Capital would subordinate its security interest in all present and after-acquired personal property of SAIL, Fusion, and other subsidiaries, except for life insurance over myself and any proceeds therefrom, to the security interest of RBC.
- 68. On December 12, 2024, BDC Capital made demand for repayment of the BDC Capital Loan. As of that date, a principal amount of \$3,394,040.00, plus interest, was owing by the Applicants under the BDC Capital Loan.

iv. Indebtedness for Sale of Future Receipts

- 69. In order to raise capital, Fusion entered into two agreements for the sale of its future receipts. The first agreement is a Sale of Future Receipts Agreement with Dynasty Capital 26, LLC ("Dynasty") dated September 30, 2024, which is attached as Exhibit "X". The second agreement is an Agreement of Sale of Future Receipts with Prosperum Capital Partners LLC d/b/a Arsenal Funding ("Arsenal") dated September 27, 2024, which is attached as Exhibit "Y".
- 70. Pursuant to these agreements, Fusion sold certain of its future receipts in exchange for an immediate capital injection from Dynasty and Arsenal. In exchange, Dynasty and Arsenal

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would receive monthly payments from Fusion with respect to the future receipts. In addition, the

agreements provide Dynasty and Arsenal with a security interest in the purchased future receipts.

71. Fusion owes Dynasty approximately \$200,000 USD in future receipts, whereas Fusion

owes Arsenal approximately \$220,000 USD in future receipts.

٧. **Equipment Financing and Lessors**

72. SAIL has secured obligations owing to various entities that provide them with equipment

financing and leased equipment. The equipment financiers and lessors include CWB National

Leasing Inc. ("CWB"), Newport Leasing Ltd., VFI KR SPE I LLC, and Hewlett-Packard Financial

Services Canada Company ("HP"). Collectively, these creditors are owed approximately

\$5,573,137.85 as follows:

(a) **CWB**: approximately \$119,573;

(b) **HP**: \$981,096.85

(c) **Newport Leasing Ltd:** \$72,468 with respect to leases for seven vehicles; and

(d) VFI KR SPE I LLC: guarantee of approximately \$4.4 million USD loaned to Bristol

Herrington Inc. ("BHI") and Fusion for the financing and acquisition of machinery

used by Fusion and leased to it by BHI.1

73. The security of these equipment financiers and lessors has been registered in the Ontario

Personal Property Registry for SAIL.

74. Although there is a registration on the Ontario Personal Property Registry for Toyota

Industries Commercial Finance Canada, Inc., I am unaware of any amounts owing to this

¹ This debt is subject to ongoing litigation in the United States. I understand VFI KR SPE I LLC is seeking a default judgment against the Applicants and other related entities before the United States Court in May 2025.

company. However, out of an abundance of caution, I understand they were served as part of the NOI Proceeding and will be served with this motion material.

75. Fusion also has approximately \$172,000 USD owing to HP with respect to equipment leases and approximately \$506,000 USD owing to Passaic Rubber Company with respect to secured equipment.

B. HST, Payroll Obligations, and Property Taxes

- 76. SAIL is current in its HST payments.
- 77. SAIL has no arrears of property taxes for the Parry Sound Property. Property taxes for the Parry Sound Property are paid four times a year in February, April, July and September with the next payment being due in and around July 26, 2025.
- 78. SAIL is current on its payroll obligations other than wages and source deductions which accrue in the normal course between bi-weekly pay periods and vacation pay, which is accrued. Group benefits are paid up to and including May 2, 2025.
- 79. Fusion is current in its government remittances, however, it has approximately USD \$198,000 owed to some of its employees for unpaid prior bonuses and approximately USD \$134,000 for payroll that was due in the week ending May 2, 2025 but was unpaid due to lack of funds.

C. Unsecured Obligations of the Applicants

- 80. The Applicants' primary unsecured liabilities include, among other things,
 - (a) approximately \$5.7 million in trade payables as of April 6, 2025 including payables related to suppliers of material and equipment;
 - (b) approximately \$2.1 million owed to Monex and Corpay with respect to certain currency hedging transactions;

- (c) approximately \$270,541 owed by Fusion to Welcome Group, who is the landlord of the Applicants' manufacturing facility in Georgia;
- (d) a default judgment against SAIL in favour of Morton Metals (a division of 1124178 Ontario Inc.) for \$116,597.63, which is subject to a writ of execution from judgment;
- (e) a default judgment against SAIL in favour of SEW-Eurodrive Company of Canada Ltd. ("SEW") in the amount of \$305,828.51 plus costs and post-judgment interest. SEW served a Notice of Garnishment on or around March 19, 2025; and
- (f) a default judgment against SAIL in favour of Prairie State Generating Company,LLC in the amount of \$55,755.07 USD.

D. Contingent Obligations of the Applicants

- 81. The Applicants Fusion and SAIL are subject to various lawsuits in Canada and the United States, which lawsuits are contingent liabilities. These legal actions include the following:
 - (a) an action commenced by Cleveland Billot against SAIL seeking damages of \$57,038 USD;
 - (b) an action commenced by Guillevin International against SAIL seeking damages of \$59,476;
 - (c) an action commenced by Conveyor Belt Service Inc. against SAIL seeking damages of \$120,599;
 - (d) an action commenced by Aircon Corporation against Fusion seeking damages of
 \$12,436.86 USD with respect to unpaid invoices for services;
 - (e) an action commenced by Buchanan Logistics, Inc. against Fusion seeking damages of approximately \$78,472.06 USD for unpaid freight services;

- (f) an action commenced by Cheeley Law Group, LLC against Fusion and other related parties for \$153,811.97 USD; and
- (g) an action commenced by G&W Equipment, Inc. against Fusion seeking approximately \$19,000 USD.
- 82. The Applicants have not had sufficient resources to adequately respond to all of the litigation such that many of the actions have not been defended by the Applicants.

V. THE APPLICANTS'S FINANCIAL DIFFICULTIES AND NEED FOR CCAA PROTECTION

A. Financial Challenges Facing the Applicants

- 83. The Applicants present financial difficulties have been precipitated by a combination of operational and financial challenges.
- 84. I am advised by Tim Shaw that the principal operational challenges arose out of the purchase by Continental of WCCO, the parent company of Calendaring Specialties Inc (CSI), in 2022 of a rubber calendaring company previously used by the Almex Group for the supply of rubber for its consumable products. Being a competitor, Continental decided to cease supplying the Almex Group, which forced us to locate a new supplier. The supplier that SAIL located and secured, the Passaic Rubber Company, unfortunately supplied products that were defective and resulted in the Almex Group having to issue credits to its customers in the amount of approximately \$756,000 in order to mitigate the damage to customer relationships. Ultimately, the Applicants severed their relationship with Passaic Rubber Company and secured a new supplier.
- 85. Financial challenges arose out of what I now believe were insufficient financial reporting and controls, some of which was overseen by the former Chief Financial Officer ("Former CFO"), who was ultimately terminated in February of 2025 on what Tim Shaw advises was a for cause basis.

- 86. In addition to those factors, I am aware that SAIL enter a vast number of currency hedging agreements with foreign exchange companies, such as Monnex and Corpay, which were for very large amounts and at a time when there turned out to be a significant downward turn in the value of the Canadian dollar relative to the U.S. dollar. On a month-to-month basis, SAIL was frequently requested to meet monthly margin calls by Monnex and Corpay that were at their highest almost \$3 million, which exacerbated the financial difficulties already being suffered as a result of the rubber supply issue noted above.
- 87. After the filing of the NOI on March 29, 2025, SAIL has advised Monnex and Corpay that it is no longer able to meet any margin calls. Those companies hold no security for the margin and loan positions taken by SAIL prior to the NOI Proceeding.

B. The Applicants' Sale and Refinancing Efforts

- 88. As a result of the increasing financial strain on the Applicants, they began canvassing options for a possible sale or refinancing of its operations. Through these efforts, I am advised by Tim Shaw that the Applicants negotiated a potential sale transaction with the Former CFO of SAIL in which he would purchase substantially all of the Applicants' assets.
- 89. Unfortunately, in September of 2024, the potential sale transaction with the Former CFO fell apart as the Former CFO had secured no funding to consummate the transaction. Although the Applicants were able to temporarily sustain their continued operations, their financial situation continued to deteriorate. It became evident that a long-term solution to their liquidity constraints and financial challenges was necessary.
- 90. Based on the foregoing, in the early part of 2025, the Applicants engaged the assistance of several advisors to canvass the market for possible refinancing and sale transactions. Through that sale process, the Applicants engaged with numerous parties that were interested in a transaction with the Applicants.

- 91. During that time, RBC began taking increased enforcement steps that culminated in RBC serving a demand and notice of intention to enforce its security on March 19, 2025. A copy of RBC's demand is attached as **Exhibit "Z"**.
- 92. Similarly, on March 28, 2025, BDC sent a demand and Notice of Intention to Enforce Security. A copy of BDC's demand is attached as **Exhibit "AA"**.
- 93. In order to preserve SAIL's value and its ongoing operations, SAIL filed the NOI on March 29, 2025.

C. The Applicants are Insolvent

- 94. As described in this affidavit, due to their deteriorating financial condition, the Applicants liabilities significantly exceed their assets. The Applicants also have insufficient cash to meet their obligations as they become due. Among other things, the Applicants' prefiling current account liabilities exceed their cash on hand by approximately \$3 million.
- 95. The Applicants' key assets, including their equipment, real estate, and accounts receivable, are not liquid and cannot be easily monetized without significant diminishment of value and disruption to the Applicants and their stakeholders. Further, the value of certain key assets such as future contracts and accounts receivable are likely to be significantly impaired or have no value if the Applicants are unable to maintain a going concern.
- 96. If the relief is not granted, the Applicants will be unable to meet their obligations as they become due and need to immediately cease operations for the detriment of their stakeholders.

D. Purpose of the CCAA Proceeding

97. After considering the various options available to the Applicants, the Applicants determined that a restructuring under the CCAA is in the best interests of the Applicants and their stakeholders.

- 98. The purpose of the proposed CCAA proceeding is to restructure the Applicants' balance sheet while maintaining going concern operations to preserve employment and maximize recovery for stakeholders.
- 99. The Applicants believe that relief under the CCAA is in the best interests of the Applicants, their creditors, and their stakeholders for the following reasons, among others:
 - (a) the Applicants are insolvent and are unable to meet their obligations as they become due;
 - (b) the Applicants require the protection of the CCAA and the assistance of restructuring professionals to develop a strategic restructuring solution and implement the SISP, as well as the breathing room to do so;
 - (c) without the protections of the CCAA, the Applicants' creditors are likely to take enforcement steps against the Applicants, which will disrupt the operation of the Business;
 - (d) the Applicants require interim financing, which financing would not otherwise be available on reasonable terms and in a timely manner without the accompanying Court-ordered Charges that are available under the CCAA; and
 - (e) the involvement of a Court-appointed monitor under the CCAA will lend stability and assurance to the Applicants' stakeholders, including their suppliers, customers, lenders, and employees.
- 100. If the requested relief is granted under the CCAA, the Applicants intend to work with the Monitor to implement a comprehensive operational and financial restructuring plan with appropriate milestones for such restructuring. This restructuring plan will include the

implementation of the SISP as further described below.

E. Cash Flow Forecast

- 101. With the assistance of the Monitor, the Applicants have conducted a cash flow analysis to determine the amount required to finance their ordinary course business operations, assuming the Initial Order is granted, over the three week period from the week ending May 16, 2025 to 31, 2025 (the "Cash Flow Forecast"). I understand that the Cash Flow Forecast will be attached to the Pre-Filing Report of the Monitor.
- 102. The Cash Flow Forecast demonstrates that the Applicants require a further approximate \$1.8 million in interim financing throughout the Stay of Proceedings.
- 103. The Cash Flow Forecast demonstrates that if the relief sought under the Initial Order is granted, the Applicants will have sufficient liquidity to meet their ordinary course obligations throughout the Stay of Proceedings.

VI. RELIEF BEING SOUGHT

104. At the initial hearing, the Applicants will seek the minimum relief necessary to continue their operations through the Stay of Proceedings.

A. Conversion to CCAA Proceeding

105. The Applicants are seeking to convert the NOI Proceeding to a CCAA proceeding. Given the complicated factual and legal issues currently facing the Applicants, I believe that the CCAA is a better forum to restructure the Applicants due to its flexible nature. In addition, the Applicants wish to preserve the optionality of filing recognition proceedings in the United States, if the Applicants and the Monitor deem it appropriate.

- 106. I am advised by Jeffrey Rosenberg of FTI that the Monitor supports the Applicants' motion to continue the NOI Proceeding under the CCAA.
- 107. I am not aware of any creditors who would be prejudiced by the conversion of the NOI Proceeding into a CCAA proceeding.

B. Stay of Proceedings

- 108. The Applicants require a Stay of Proceedings, including in respect of secured parties, to prevent creditors from taking enforcement steps. The intention of the Stay of Proceedings is to provide the Applicants with the necessary breathing room to preserve the *status quo* and pursue a viable restructuring plan.
- 109. The Stay of Proceedings is also critical to maximizing the realization of the Business for creditors and stakeholders and avoiding the destruction of value that would result from a shutdown of operations. If the Business is forced to shut down, the Applicants would immediately suffer an irreparable loss in asset value given that certain of their assets—their goodwill and reputation, client relationships, and accounts receivable—require an operating Business to retain value.
- 110. The Cash Flow Forecast demonstrates that the Applicants will have sufficient cash to operate through the Stay of Proceedings with the availability of the DIP Facility. In the meantime, the Applicants continue to work with due diligence and in good faith to complete a restructuring.

C. Appointment of FTI as Monitor

111. The Applicants seek the appointment of FTI as Monitor. FTI is currently the Proposal Trustee and is well versed in the operations and financial challenges of the Business. FTI has also already commenced certain marketing steps and undertaken discussions with interested

parties in anticipation of the SISP.

- 112. FTI has consented to act as Monitor, subject to this Court's approval. I understand the consent of FTI will be attached to the report of the Monitor.
- 113. I am advised by Jeffrey Rosenberg that FTI is a licensed insolvency trustee within the meaning of section 2 of the BIA and is not precluded from acting as Monitor as a result of any restrictions under subsection 11.7(2) of the CCAA.

D. Charges

- 114. The Applicants seeks the following Charges in the proposed Initial Order: an Administration Charge and a DIP Lender's Charge. The Applicants propose that each of the Charges constitute a charge on all of the Applicants' Property. The Applicants further propose that the Charges rank in priority to all other Encumbrances (as defined in the Initial Order) except that the DIP Lender's Charge shall rank subordinate to the mortgage of BDC registered on the Parry Sound Property.
- 115. The Applicants propose that the priority of the Charges, as among them, be as follows:
 - (a) first, the Administration Charge (to the maximum amount of \$350,000); and
 - (b) second, the DIP Lender's Charge (to the maximum amount of \$1,800,000).
- 116. The proposed quantum of the Charges is limited to relief that is reasonably necessary for the continued operations of the Applicants in the ordinary course of business during the Stay of Proceedings.

E. Approval of the Administration Charge

117. The Stay Extension Order granted SAIL an Administration Charge in the maximum

amount of \$350,000.

- 118. The Applicants seek to continue the Court-ordered Administration Charge over their Property, up to a maximum amount of \$350,000, to secure the fees and disbursements incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants in connection with the CCAA proceeding.
- 119. The Applicants request that the Administration Charge rank in priority to all other Encumbrances (as that term is defined in the Initial Order) and Charges.
- 120. The Applicants have relied heavily upon each of the restructuring professionals that are the beneficiaries of the Administration Charge during the NOI Proceeding and the preparation of this CCAA proceeding. Each of these professionals have contributed, and will continue to contribute, significant value to the advancement of the CCAA proceeding and the completion of a successful restructuring.
- 121. The Administration Charge is necessary to ensure that the Applicants have the continued expertise, knowledge and participation of the restructuring professionals during the Stay of Proceedings, including to effectively liaise with creditors, assist with restructuring initiatives, and implement the SISP. Each of the restructuring professionals who are the beneficiaries of the Administration Charge have a critical and discrete role in the restructuring of the Applicants.
- 122. The Applicants worked with the Monitor to estimate the quantum of the Administration Charge. Based on those discussions, I believe that the quantum of the Administration Charge is fair and reasonable in the circumstances as it is commensurate with the expected complexity of the Applicants' Business and anticipated restructuring.

F. Approval of the DIP Facility and DIP Lender's Charge

- 123. The Stay Extension Order approved a DIP Facility from RBC and a corresponding DIP Lender's Charge in the maximum amount of \$1,000,000.
- 124. The Applicants seek to increase the maximum borrowings under the DIP Facility and the DIP Lender's Charge to the maximum amount of \$1,800,000. Specifically, the Cash Flow Forecast demonstrates that the Applicants require this amount in interim financing to meet their ordinary course of business expenses and to fund the CCAA proceeding during the Initial Stay Period.
- 125. The DIP Lender is providing the additional financing pursuant to the Amended DIP Term Sheet. A copy of the Amended DIP Term Sheet will be attached to the Pre-Filing Report of the Monitor.
- 126. The Amended DIP Term Sheet represents the best available interim financing arrangement that could be arranged by the Applicants within the time frame needed to meet the Applicants' cash flow needs particularly given it is provided by the Applicants' senior secured lender and it is unlikely any other party would provide interim financing.
- 127. Based on the drafts currently under discussion, the key terms and conditions of the Amended DIP Term Sheet are as follows:
 - (a) the DIP Lender is the Applicants' senior secured creditor, RBC;
 - (b) a maximum loan amount of \$1,800,000;
 - (c) interest accruing at a rate of 10%; and
 - (d) a maturity date of the earlier of: (a) a date concurrent with the current Stay Period, unless extended by the DIP Lender; (b) the sale of all or substantially all of the Property of SAIL; (c) the date on which the stay of proceedings expires without being extended; and (d) an Event of Default. The maturity date can be extended

subject to the consent of the DIP Lender and the Monitor.

- 128. The DIP Facility is expected to provide sufficient liquidity to allow the Applicants to operate and meet their obligations during the pendency of the Stay of Proceedings.
- 129. The DIP Lender requires all obligations under the Amended DIP Term Sheet to be secured by a Court-ordered priority charge, namely the DIP Lender's Charge. The DIP Lender's Charge will secure all the funds advanced to the Applicants under the DIP Facility. The DIP Lender's Charge will not secure any obligations incurred prior to the filing of the NOI.
- 130. The DIP Lender's Charge is proposed to rank in priority to all Encumbrances except BDC's mortgage on the Parry Sound Property.
- 131. The amount of the DIP Lender's Charge requested is necessary and limited to what is reasonably necessary for the continued operations of the Business in the ordinary course of business during the CCAA proceeding. Without the DIP Lender's Charge, the DIP Lender will not provide the DIP Facility resulting in the Applicants' inability to finance their operations leading to bankruptcy, which would be detrimental to the Applicants' stakeholders.
- 132. The Monitor has advised that it is supportive of the approval of the Amended DIP Term Sheet and the corresponding DIP Lender's Charge.

G. Payment of Pre-Filing Amounts

133. The Applicants are seeking authorization to pay, with the written approval of the Monitor, up to \$250,000 on account of amounts owing to their suppliers for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants and the Monitor and with the consent of the DIP Lender, such payment is necessary to maintain the uninterrupted operations of the Business. The Applicants have reflected these payments in their

Cash Flow Forecast.

- 134. The Applicants rely heavily on suppliers who provide specialized materials and equipment.

 These contactors are necessary to the uninterrupted operation of the Business.
- 135. Given the technical and specialized nature of the Applicants' operations, there are few vendors who can supply the specific services that the Applicants requires at a reasonable cost and in a timely manner.
- 136. Due to the Applicants' cash-flow pressures, the Applicants have failed to pay some of their critical suppliers for services provided prior to the filing of the NOI Proceeding. On review of these amounts with the Monitor, the Applicants believe it is necessary to pay the pre-filing amounts owed to the critical suppliers to maintain their services notwithstanding the Stay of Proceedings.
- 137. If these critical suppliers are not paid their pre-filing arrears, they will abruptly stop providing services, which will result in the Applicants facing a material risk to their Business given that these suppliers are critical and cannot easily be replaced.

H. Approval of the SISP

- 138. One of the purposes of the intended CCAA proceeding is for the Applicants to explore sale, refinancing and investment opportunities under the protection of a Stay of Proceedings, and with the assistance of restructuring professionals.
- 139. To meet this objective and to complement the Applicants' ongoing operational restructuring efforts, the Applicants determined that it is critical that it conduct a sale and investment solicitation process. Accordingly, the Applicants developed the SISP, in consultation with the Monitor and the DIP Lender. A copy of the SISP is attached as **Exhibit "BB"**.
- 140. I believe that the SISP is the best available option to maximize value for the Applicants'

stakeholders. Specifically, the SISP is intended to widely expose the Applicants' Business and Property to the market and to provide a structured and orderly process for interested parties to perform due diligence and submit offers for a broad range of potential transactions (including a sale or recapitalization). The Applicants will continue to operate in the normal course during the SISP in order to preserve and maximize going concern value of the Business.

141. I understand that the Monitor supports the approval of the SISP, recognizing that the SISP is fair and reasonable in the circumstances, and is in the best interest of creditors. I also understand from Brendan Bissell, counsel for the Applicants, that RBC, which is the DIP Lender and the Applicants' senior secured lender, is supportive of the SISP.

(i) Overview of the SISP

- 142. The SISP contemplates a two-phase sale process that will be administered by the Monitor over approximately six weeks. The SISP is designed to culminate in the closing of a transaction by no later than July 4, 2025.
- 143. Phase 1 of the SISP ("**Phase 1**") calls for non-binding letters of interest ("**LOIs**"). The Monitor, in consultation with the Applicants and the DIP Lender, will assess the LOIs to determine which bidders are a "**Qualified Bidder**" and who can then participate in the second phase of the SISP ("**Phase 2**").
- 144. In the event that there is no Qualified Bidder, or the Applicants and the Monitor, in consultation with the DIP Lender, have determined it will not be in the best interests of the Applicants to continue with the SISP, the SISP will not proceed to Phase 2 and the Monitor may instead pursue a transaction for the sale of all or some of the assets of the Applicants, subject to Court approval.
- 145. If there is at least one Qualified Bidder, the SISP shall proceed to Phase 2.

146. Phase 2 of the SISP permits Qualified Bidders to conduct further due diligence and submit an unconditional binding offer ("**Binding Offer**") that complies with the terms specified in the SISP.

147. The SISP contemplates the following key milestones and deadlines:

Milestone	Deadline
Commencement of the SISP	May 2, 2025
Deadline for the submission of LOIs (the "LOI Deadline")	No later than 5:00 p.m. (Toronto Time) on May 22, 2025
Monitor to advise parties if they are a Qualified Bidder	No later than 5:00 p.m. (Toronto Time) on May 26, 2025
Deadline for the submission of Binding Offers (the "Bid Deadline")	No later than 5:00 p.m. (Toronto Time) on June 12, 2025
Closing of transaction(s) arising from the SISP ("Target Closing Date")de	No later than July 4, 2025

- 148. I believe the above milestones provide sufficient time for the Applicants to broadly canvass the market for a value-maximizing transaction. In particular, the above timeline of the SISP appropriately balances the Applicants' need for sufficient time to comprehensively market their Business with the limitations of the Applicants' financial position and available interim financing.
- 149. The SISP provides that the Monitor may extend the above deadlines, in consultation with the Applicants and with the consent of the DIP Lender, without Court approval. The ability to extend deadlines provides the Monitor with the necessary flexibility to maximize the Applicants' success in the SISP.
- 150. Each of the key milestones of the SISP are described in greater detail below.

(ii) Solicitation of Interest and Notice of the SISP

- 151. The SISP prescribes that the Monitor, in consultation with the Applicants, shall take the following steps to commence the SISP:
 - (a) compile a list of known prospective purchasers and investors ("Prospective Bidders");
 - (b) publish a copy of the SISP and SISP Approval Order on the Monitor's Website;
 - (c) prepare a solicitation letter summarizing the acquisition and investment opportunity with respect to the Business and Property (the "Teaser Letter") and a form of non-disclosure agreement ("NDA");
 - (d) prepare a virtual data room ("VDR") containing due diligence information and documentation in relation to the Applicants;
 - (e) send to each Prospective Bidder the Teaser Letter; and
 - (f) prepare the form of template asset purchase agreement ("Template APA") for those bidders that may submit a proposal for the purchase of the Business or its assets (a "Sale Proposal").
- 152. I understand that the Monitor has already commenced the SISP by completing the abovenoted steps. Specifically, I understand that the Monitor has:
 - (a) prepared a list of approximately 70 Prospective Bidders;
 - (b) sent the Teaser Letter to the Prospective Bidders;
 - (c) developed the VDR; and

(d) sent the NDA to any Prospective Bidder that requested access to the VDR.

(iii) Phase 1: Non-Binding LOIs

- 153. In order to participate in Phase 1 of the SISP, an interested party must deliver an executed NDA to the Monitor, and written acknowledgement of receipt of the SISP wherein such Prospective Bidder agrees to accept and be bound by the provisions of the SISP. Thereafter, the Monitor will grant the interested party access to the VDR to perform its due diligence.
- 154. Any party who wishes to submit a non-binding LOI must do so by the LOI Deadline, being May 22, 2025. A bidder that submits a LOI will only be considered a Qualified Bidder where it complies with certain minimum criteria including that it, among other things:
 - (a) specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or an offer for a broad range of executable transaction alternatives (restructuring, recapitalization, and/or refinancing) involving an investment in the Applicants ("Investment Proposal");
 - (b) provides a detailed description of any remaining due diligence required by the Prospective Bidder to be completed;
 - (c) describes any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such conditions, along with information sufficient for the Monitor, in consultation with the Applicants, to determine that these conditions are reasonable in relation to the Prospective Bidder;
 - (d) provides written evidence, satisfactory to the Monitor, in consultation with the Applicants, of the Prospective Bidder's ability to consummate the transaction within

the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital and, to the extent that the Prospective Bidder expects to finance any portion of the purchase price, the identity of the financing source;

- (e) confirms that the Prospective Bidder will be responsible for its own costs incurred in connection with its investigation of the Applicants and any transaction, including those of its advisors, attorneys, and agents;
- (f) agrees to the proposed Target Closing Date and a timeline to closing with critical milestones;
- (g) provides such other information reasonably requested by the Monitor in consultation with the Applicants and the DIP Lender;
- (h) if it is a Sale Proposal, includes, among other things:
 - (i) a detailed listing and description of the Property to be included in the Sale
 Proposal and a detailed listing of the Property to be excluded from the Sale
 Proposal;
 - (ii) the low and high range of the proposed purchase price;
 - (iii) a list of the key material contracts and leases, if any, the Prospective Bidder wishes to acquire and the Prospective Bidder's proposed treatment of any related "cure costs"; and
 - (iv) whether the proposed transaction is to be implemented by way of a "approval and vesting order" or a "reverse vesting order"; and

- (i) if it is an Investment Proposal, includes, among other things:
 - (i) a description of the structure of the Investment Proposal;
 - (ii) a description of the type and amount of consideration to be allocated to secured creditors, unsecured creditors and shareholders of the Applicants;
 and
 - (iii) the proposed treatment of the Applicants' stakeholders.
- 155. Following the LOI Deadline, the Monitor and the Applicants, in consultation with the DIP Lender, shall assess the LOIs. If the Monitor determines that there is at least one Qualified Bidder, the SISP will proceed to Phase 2. Only the Qualified Bidders will be permitted to participate in Phase 2 of the SISP.

(iv) Phase 2 – Binding Offers

- 156. Phase 2 of the SISP affords the Qualified Bidders the opportunity to perform further due diligence and submit a formal Binding Offer.
- 157. Any Qualified Bidder that wishes to make a formal offer with respect to the Applicants' Business must submit a Binding Offer by the Bid Deadline, being June 12, 2025.
- 158. A Sale Proposal will only be considered to be a "Qualified Purchase Bid" where it complies with certain criteria identified in the SISP including, among other things:
 - it includes a letter stating that the Sale Proposal is irrevocable until 45 BusinessDays following the Bid Deadline;
 - (b) it includes a duly authorized and executed purchase and sale agreement, togetherwith a markup outlining and highlighting all proposed changes from the Template

- APA, and specifying the purchase price;
- (c) it contains a detailed listing a description of the Property to be included in the Sale Proposal or a detailed listing of the Property to be excluded from the Sale Proposal;
- (d) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Sale Proposal;
- (f) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Sale Proposal;
- (g) it is accompanied by a refundable deposit (the "Deposit") in an amount equal to 10% of the proposed gross purchase price, to be held and dealt with in accordance with the SISP;
- (h) it includes an acknowledgement and representation that the Qualified Bidder will assume the obligations of the Applicants under executory contracts, unexpired leases, and licenses proposed to be assigned;

- (i) it includes the proposed treatment of stakeholders;
- it provides for the closing of the Qualified Purchase Bid by no later than the TargetClosing Date; and
- (k) it contains other information reasonably requested by the Monitor in consultation with the Applicants and the DIP Lender.
- 159. An Investment Proposal will only be considered to be a "Qualified Investment Bid" where it complies with certain criteria identified in the SISP including, among other things:
 - it includes a letter stating that the Investment Proposal is irrevocable for a periodof 45 Business Days following the Bid Deadline;
 - (b) it includes duly authorized and executed binding definitive documentation setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and/or debt investment and details regarding the proposed equity and/or debt structure of the Applicants, if applicable, following completion of the proposed transaction;
 - (c) it includes a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of the Applicants;
 - it does not include a request or entitlement to a break-fee, expense reimbursementor any other similar type of payment;
 - (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the

Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Investment Proposal;

- (f) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Investment Proposal;
- (g) it is accompanied by a Deposit in an amount equal to 10% of the total proposed investment, to be held and dealt with in accordance with the SISP;
- (h) it provides for closing of the Qualified Investment Bid by no later than the TargetClosing Date; and
- (i) it contains other information reasonably requested by the Monitor

(v) Selection, Approval and Closing of the Successful Bid(s)

- 160. At the conclusion of Phase 2 of the SISP, the Monitor and the Applicants will review and evaluate each offer received in consultation with the DIP Lender. If no Qualified Investment Bid or Qualified Purchase Bid is received, the SISP will be deemed concluded.
- 161. If a Qualified Investment Bid or Qualified Purchase Bid is received, the Monitor and the Applicants, in consultation with the DIP Lender, will review and assess the bids based on the criteria identified in the SISP. The Monitor, in consultation with the Applicants and the DIP Lender, will then either:

- (a) select the bid or bids that are in the best interest of the Applicants' stakeholders (the "Successful Bid"); or
- (b) direct the Monitor to conduct an auction wherein the highest bid at the auction will be selected as the Successful Bid.
- 162. After the selection of a Successful Bid, the SISP contemplates:
 - (a) granting of an Approval Order: the Applicants shall apply to the Court for one or more orders approving such Successful Bid, vesting title to the purchased assets in the name of the successful bidder, and/or vesting unwanted liabilities out of the Applicants (the "Approval Order"); and
 - (b) closing of the transaction by the Target Closing Date: the parties will close the transaction contemplated in the Successful Bid by the Target Closing Date, being July 4, 2025.
- 163. On the closing of the transaction contemplated in the Successful Bid, all bids other than the Successful Bid will be deemed rejected.

I. Discharge Order

- 164. The Proposal Trustee seeks this Court's approval of its activities as described in the First Report, its fees and the fees of its legal counsel, as set out in the Pre-Filing Report and other related relief.
- 165. The proposed Discharge Order provides for a release of the Proposal Trustee, counsel to the Proposal Trustee, counsel to SAIL and each of their respective affiliates, officers, directors, partners, current and former employees, legal counsel and agents (collectively, the "**Released Parties**") from all claims from all claims, liabilities and obligations of any kind based in whole or

in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the proposed Discharge Order in any way relating to this NOI Proceeding or with respect to their conduct in the NOI Proceeding, other than any claim or liability arising out of gross negligence or wilful misconduct on the part of the Released Parties.

166. It is my opinion that the Released Parties have made substantial contributions to the NOI Proceeding, including by assisting SAIL to stabilize its obligations and implementing the SISP.

J. Enhanced Powers of the Monitor

- 167. I am advised by Brendan Bissell, counsel to the Applicants, that the DIP Lender requires the Monitor to have certain enhanced powers as a term of the Amended DIP Term Sheet and a requirement of advancing further funds under the DIP Facility. I understand that the Monitor is agreeable to being appointed with these enhanced powers as set out in the proposed Initial Order.
- 168. I am further advised by Mr. Bissell that the Company and Timothy Shaw are prepared to agree to the Monitor's enhanced powers in order to obtain the financing under the Amended DIP Term Sheet and to try to protect stakeholders as much as possible.

VII. CONCLUSION

169. I swear this affidavit in support of the Applicants' requested relief and for no other or improper purpose.

SWORN REMOTELY BY ANDREW HUSTRULID stated as being located in Bonita Springs, Florida, before me at Toronto, Ontario, this 8th day of May, 2025, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely.*

Jessica Widhmann

A Commissioner for taking Affidavits. Jessica Wuthmann Andrew Hustrulid (May 8, 2025 21:33 EDT)

ANDREW HUSTRULID

THIS IS EXHIBIT "A" REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH

A COMMSSIONER FOR TAKING AFFIDAVITS
JESSICA WUTHMANN
LSO # 72442W



Industry Canada

Office of the Superintendent of Bankruptcy Canada

Industrie Canada

Bureau du surintendant des faillites Canada

District of Ontario

Division No. 14 - Parry Sound Court No. 31-3205249 Estate No. 31-3205249

In the Matter of the Notice of Intention to make a proposal of:

Shaw-Almex Industries Limited

Insolvent Person

FTI CONSULTING CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 29, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 31, 2025, 07:19

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902



E-File/Dépôt Electronique

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID
STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA
BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH
DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH
OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE MADAM)	FRIDAY, THE 25 TH
)	
JUSTICE J. DIETRICH)	DAY OF APRIL, 2024

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE TOWN OF PARRY SOUND, IN THE PROVINCE OF ONTARIO

ORDER (Stay Extension, Administration Charge, and DIP Facility)

THIS MOTION, made by Shaw-Almex Industries Limited (the "**Company**") pursuant to the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order, among other things: (i) extending the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including May 9, 2025; (ii) granting an Administration Charge (as defined herein); and (iii) approving the DIP Facility (as defined herein) and granting a DIP Lender's Charge (as defined herein), was heard on the 25th day of April, 2025.

ON READING the affidavit of Timothy Shaw, sworn April 24, 2025, and the exhibits thereto, and the First Report of FTI Consulting Canada Inc. dated April 24, 2025 (the "**First Report**") in its capacity as proposal trustee of the Company (the "**Proposal Trustee**").

ON HEARING the submissions of counsel for the Company, the Proposal Trustee, and such other counsel that were present, no one else appearing for any other person although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Company's Notice of Motion returnable April 25, 2025 and Motion Record dated April 24, 2025, is abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to and including May 13, 2025 (the "**Stay Period**").

ADMINISTRATION CHARGE

- 3. **THIS COURT ORDERS** that the Proposal Trustee, counsel to Proposal Trustee and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and counsel for the Company as such accounts are rendered. The Proposal Trustee and its counsel shall be authorized to immediately apply any such payments made by the Company to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.
- 4. **THIS COURT ORDERS** that, pursuant to Section 64.2 of the BIA, the Proposal Trustee, counsel to the Proposal Trustee, the Company's counsel, and in the event of a bankruptcy, the trustee in bankruptcy and its counsel, shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate including all proceeds thereof, (the "**Property**"), which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee, any trustee in bankruptcy, 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 11 and 13 hereof.

DIP FINANCING

- 5. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from the DIP Lender in order to finance the Company's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the DIP Facility shall not exceed \$1,000,000 unless permitted by further order of this Court.
- 6. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Company and the DIP Lender dated April 24, 2025 (the "**Commitment Letter**"), which is found at master number E281 on Case Center.
- 7. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
- 8. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 11 and 13 herein.
- 9. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:
 - a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - b) upon the occurrence of an event of default under the Commitment Letter or the Definitive Documents, the DIP Lender, upon 5 days' notice to the Company and the Proposal Trustee, may cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against

the obligations of the Company to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, provided that any other enforcement steps shall require leave or further order of this Court, including an application for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

- c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver or receiver and manager of the Company or the Property.
- 10. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Company under the BIA with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

- 11. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:
 - a) First Administration Charge (to the maximum amount of \$350,000); and
 - Second DIP Lender's Charge (to the maximum principal amount of \$1,000,000).
- 12. **THIS COURT ORDERS** that the filing, registration, or perfection of the Charges shall not be required, and that 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.
- 13. **THIS COURT ORDERS** that, subject to paragraph 14 of this Order, each of the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**").
- 14. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, any amounts owing under the DIP Facility and any fees and costs incurred by the Proposal Trustee,

its counsel and the Company's counsel (to date and going forward) as secured by the Charges shall not rank in priority to any secured creditor of the Company other than BDC Capital Inc., including the mortgage of Business Development Bank of Canada in the principal amount of \$2,000,000 and registered on title on January 7, 20222 against the real property owned by the Company located at 17 Shaw Almex Road, Parry Sound, Ontario (the "BDC Mortgage"), provided that the rights of beneficiaries of the Charges to seek priority of the Charges over the any secured creditor of the Company other than BDC Capital Inc. and the BDC Mortgage is specifically reserved and may be argued at the hearing scheduled pursuant to paragraph 22, below, including with respect to any funds advanced under the DIP Facility between the date of this Order and that further hearing.

- 15. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Company obtains the prior written consent of the Proposal Trustee, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.
- 16. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (the "Chargees") shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications or any deemed bankruptcy; (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") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:
 - the creation of the Charges shall not create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
 - b) 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
 - c) the payments made by the Company 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.

- 17. **THIS COURT ORDERS** that the Charges created by this Order over leases of real property in Canada shall only be a charge in the Company's interests in such real property leases.
- 18. **THIS COURT ORDERS** that, for greater certainty, nothing in this Order:
 - a) determines the issue of how any amounts payable under the Charges are to be allocated as against the Property and the interests of secured creditors in it, which issue shall remain for further determination by the Court on motion if necessary; and
 - b) provides any priority to the Charges over the BDC Mortgage.

GENERAL

- 19. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons against whom it may otherwise be enforced.
- 20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Company, the Proposal Trustee 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 Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.
- 21. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee 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.
- 22. **THIS COURT ORDERS** that the portion of the Company's motion seeking an order continuing this proceeding under the *Companies Creditors Arrangement Act* is adjourned to May 13, 2025 at 10:00 am.

23. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE CITY OF PARRY SOUND IN THE PROVINCE OF ONTARIO

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at TORONTO

ORDER (Stay Extension, Administration Charge and DIP Facility)

RECONSTRUCT LLP

80 Richmond Street West Suite 1700 Toronto, ON M5H 2A4

R. Brendan Bissell LSO No. 40354V

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Tel: 416.613.8288

Simran Joshi LSO No. 89775A

sjoshi@reconllp.com Tel: 416.613.6589

Lawyers for Shaw-Almex Industries Limited

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID
STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA
BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH
DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH
OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W



Ministry of Public and Business Service Delivery

Profile Report

SHAW-ALMEX INDUSTRIES LIMITED as of March 31, 2025

Act
Type
Name
Ontario Corporation Number (OCN)
Governing Jurisdiction
Status
Date of Amalgamation
Registered or Head Office Address

Business Corporations Act
Ontario Business Corporation
SHAW-ALMEX INDUSTRIES LIMITED
1968204
Canada - Ontario
Active
January 01, 2017
323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Cluintarilla W.

Director/Registrar

Minimum Number of Directors

Maximum Number of Directors

Active Director(s)

Name Address for Service Resident Canadian Date Began TIMOTHY G. SHAW 323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada Yes January 01, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W.

Director/Registrar

Active Officer(s)

Name Position

Address for Service

Date Began

Name Position

Address for Service

Date Began

Name Position

Address for Service

Date Began

Name Position

Address for Service

Date Began

Name Position

Address for Service

Date Began

RYAN NEUFELD

Chief Financial Officer

323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada

January 01, 2017

TIMOTHY G. SHAW

President

323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada

January 01, 2017

TIMOTHY G. SHAW

Secretary

323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada

January 01, 2017

JULIE WHITE
Other (untitled)

323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada

January 01, 2017

JULIE WHITE

Other (untitled)

323 Glover Road, Stoney Creek, Ontario, L8E 5M2, Canada

January 01, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W

Director/Registrar

Corporate Name History

Name Effective Date SHAW-ALMEX INDUSTRIES LIMITED January 01, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W.

Director/Registrar

Amalgamating Corporations

Corporation Name SHAW-ALMEX INDUSTRIES LIMITED

Ontario Corporation Number 95408

Corporation Name 921673 ONTARIO INC.

Ontario Corporation Number 921673

Corporation Name 1045818 ONTARIO INC

Ontario Corporation Number 1045818

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W.

Director/Registrar

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W.

Director/Registrar

Expired or Cancelled Business Names

Name Business Identification Number (BIN) Status Registration Date Expired Date SHAW ALMEX FUSION CANADA 200128601 Inactive - Expired February 03, 2010 January 31, 2025

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W.

Director/Registrar

Document List

Filing Name	Effective Date
Annual Return - 2022 PAF: RYAN NEUFELD	December 20, 2023
Annual Return - 2021 PAF: RYAN NEUFELD	December 20, 2023
Annual Return - 2020 PAF: TIMOTHY G. SHAW - DIRECTOR	August 27, 2021
Annual Return - 2019 PAF: TIMOTHY G. SHAW - DIRECTOR	August 27, 2021
Annual Return - 2018 PAF: TIMOTHY G. SHAW - DIRECTOR	August 27, 2021
Annual Return - 2017 PAF: RYAN NEUFELD - OFFICER	September 18, 2018
CIA - Initial Return PAF: WILLIAM L. NORTHCOTE - OTHER	March 08, 2017
BCA - Articles of Amalgamation	January 01, 2017

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintarilla W.

Director/Registrar

THIS IS **EXHIBIT "D"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMIŠSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

STATE OF GEORGIA

Secretary of State

Corporations Division
315 West Tower
#2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

CERTIFICATE OF ORGANIZATION

I, Brian P. Kemp, the Secretary of State and the Corporations Commissioner of the State of Georgia, hereby certify under the seal of my office that

SHAW ALMEX FUSION, LLC

a Domestic Limited Liability Company

has been duly organized under the laws of the State of Georgia on 10/10/2010 by the filing of articles of organization in the Office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on October 10, 2010



B: A. Brian P. Kemp

Brian P. Kemp Secretary of State

Control No: 10076857 Date Filed: 10/10/2010 16:93 AM Brian P. Kemp Secretary of State

October 10, 2010

ARTICLES OF ORGANIZATION FOR GEORGIA LIMITED LIABILITY COMPANY

The name of the Limited Liability Company is:

Shaw Almex Fusion, LLC

The principal mailing address of the Limited Liability Company is:

1180 West Peachtree Street, Suite 700 Atlanta, GA 30309

The Registered Agent is:

Amelia H Huskins 1180 West Peachtree Street, Suite 700 Atlanta, GA 30309 County: Fulton

The name and address of each organizer(s) are:

Amelia H Huskins 1180 West Peachtree Street , Suite 700 Atlanta, GA 30309

The optional provisions are:

No optional provisions.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Organization on the date set forth below.

Signature(s):

Date:

Organizer, Amelia H Huskins

October 10, 2010

THIS IS **EXHIBIT "E"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

Shaw Almex Industries Ltd.

P.O. Box 430

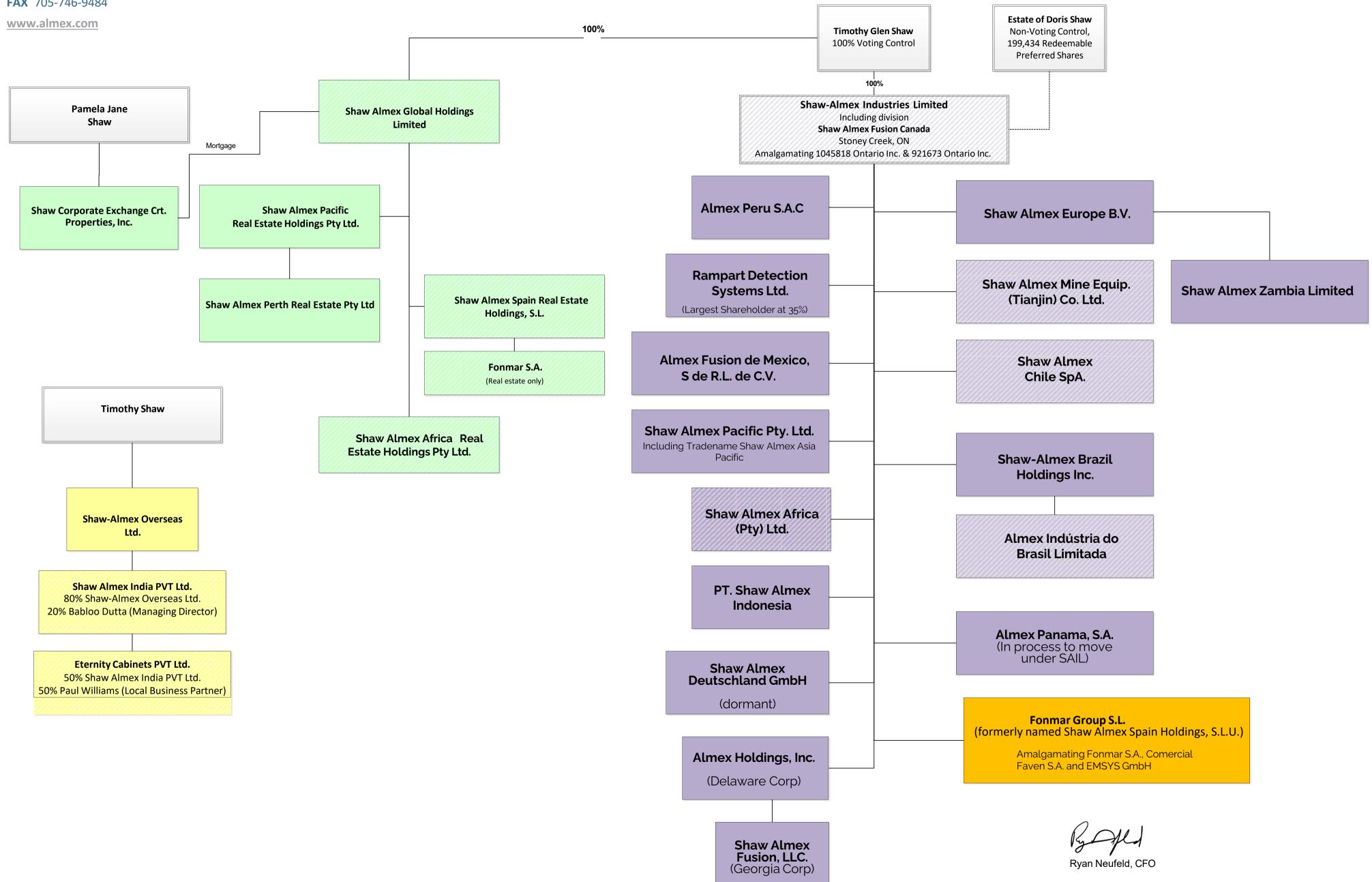
Parry Sound, ON P2A 2X4 Canada

TEL 705-746-5884 or 800-461-4351

FAX 705-746-9484

ALMEX GROUP Corporate Chart















THIS IS **EXHIBIT "F"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

Consolidated Financial Statements of

SHAW-ALMEX INDUSTRIES LIMITED

And Independent Auditor's Report thereon Year ended December 31, 2022



KPMG LLP

Vaughan Metropolitan Centre 100 New Park Place, Suite 1400 Vaughan, ON L4K 0J3 Canada Telephone 905-265-5900 Fax 905-265-6390

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Shaw-Almex Industries Limited

Opinion

We have audited the consolidated financial statements of Shaw-Almex Industries Limited (the Entity), which comprise:

- the consolidated balance sheet as at December 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of retained earnings for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicate that during the year ended December 31, 2022, Shaw-Almex Industries Ltd. suffered significant financial loss. As a result, the Company did not meet the financial and non-financial covenants specified in its bank borrowing agreements in 2022, resulting in the bank having the ability to immediately demand repayment of bank loan amounts outstanding. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Shaw-Almex Industries Ltd. ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 - The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada January 23, 2024

KPMG LLP

SHAW-ALMEX INDUSTRIES LIMITED

Consolidated Balance Sheet

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 3,429,992	\$ 3,945,816
Marketable securities	1,903,209	1,914,552
Accounts receivable (notes 3 and 19)	14,617,671	16,487,674
Inventories (note 4)	18,413,870	14,610,030
Income taxes recoverable	512,182 1,534,041	134,992 1,463,032
Prepaid expenses, deposits and other assets Due from related parties (note 19)	5,303,139	7,723,133
Bue non related parties (note 10)	45,714,104	46,279,229
Property, plant and equipment (note 6)	5,524,183	4,906,832
Assets under capital lease (note 7)	2,837,177	2,908,091
ntangible assets (note 8) Due from shareholder (note 9)	365,782 1,258,790	360,419 1,173,921
Long-term deposits	91,230	36,273
nvestments, measured at cost (note 11)	-	514,692
	\$ 55,791,266	\$ 56,179,457
Current liabilities: Bank indebtedness (note 12) Accounts payable and accrued liabilities (notes 14 and 19) Advances from customers and deferred revenue Derivative financial instrument (note 21(e)) Due to related parties (note 19) Callable long-term debt (note 15) Current portion of long-term debt (note 15)	\$ 9,853,668 17,448,518 5,115,429 482,910 2,571,194 6,196,470 337,691	\$ 8,572,048 12,386,434 2,738,596 150,367 687,542 4,481,955 445,519
Current portion of obligations under capital leases (note 16)	916,183	923,242
Income taxes payable	500,182	489,401
	43,422,245	30,875,104
	3,490,095	, ,
Long-term debt (note 15)	97,289	431,943
Long-term debt (note 15)	97,289 1,182,266	431,943 1,552,748
Long-term debt (note 15)	97,289	431,943 1,552,748 5,474,786
Class A special shares (note 18) Long-term debt (note 15) Long-term portion of obligations under capital leases (note 16) Shareholder's equity:	97,289 1,182,266 4,769,650	431,943 1,552,748 5,474,786
Long-term debt (note 15) Long-term portion of obligations under capital leases (note 16) Shareholder's equity: Share capital (note 18)	97,289 1,182,266 4,769,650 48,191,895	431,943 1,552,748 5,474,786 36,349,890
Cong-term debt (note 15) Cong-term portion of obligations under capital leases (note 16) Shareholder's equity: Share capital (note 18) Cumulative translation adjustment	97,289 1,182,266 4,769,650 48,191,895 1 (2,575,367)	431,943 1,552,748 5,474,786 36,349,890 1 (2,980,842
Long-term debt (note 15) Long-term portion of obligations under capital leases (note 16) Shareholder's equity: Share capital (note 18) Cumulative translation adjustment Contributed surplus Retained earnings, less a nil adjustment (\$3,489,832)	97,289 1,182,266 4,769,650 48,191,895	431,943 1,552,748 5,474,786 36,349,890 1 (2,980,842
Cong-term debt (note 15) Long-term portion of obligations under capital leases (note 16) Shareholder's equity: Share capital (note 18) Cumulative translation adjustment Contributed surplus Retained earnings, less a nil adjustment (\$3,489,832 at December 31, 2021) related to retractable	97,289 1,182,266 4,769,650 48,191,895 1 (2,575,367) 381,123	3,490,095 431,943 1,552,748 5,474,786 36,349,890 1 (2,980,842 381,123
Cong-term debt (note 15) Cong-term portion of obligations under capital leases (note 16) Shareholder's equity: Share capital (note 18) Cumulative translation adjustment Contributed surplus Retained earnings, less a nil adjustment (\$3,489,832)	97,289 1,182,266 4,769,650 48,191,895 1 (2,575,367)	431,943 1,552,748 5,474,786 36,349,890 1 (2,980,842 381,123 22,429,285
Long-term debt (note 15) Long-term portion of obligations under capital leases (note 16) Shareholder's equity: Share capital (note 18) Cumulative translation adjustment Contributed surplus Retained earnings, less a nil adjustment (\$3,489,832 at December 31, 2021) related to retractable	97,289 1,182,266 4,769,650 48,191,895 1 (2,575,367) 381,123 9,793,614	431,943 1,552,748 5,474,786 36,349,890 1 (2,980,842

See accompanying notes to consolidated financial statements.

SHAW-ALMEX INDUSTRIES LIMITED

Consolidated Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue	\$ 58,458,683	\$ 66,565,108
Cost of sales (notes 4, 13 and 22)	36,758,841	36,541,800
Gross profit	21,699,842	30,023,308
Operating expenses (note 23)	28,583,075	26,309,829
Earnings (loss) before the undernoted items	(6,883,233)	3,713,479
Other expenses (income): Amortization of assets under capital lease Amortization of deferred financing fees Amortization of intangibles Amortization of property, plant and equipment Foreign exchange (gain) loss Impairment of goodwill (note 19(d)) Impairment of investment (note 11) Impairment of loan receivable (note 10) Interest and bank charges (notes 12, 15 and 16) Other income Other interest expense Unrealized loss on derivative financial instruments (note 21(e))	731,489 41,229 62,093 1,177,031 131,936 - 514,692 - 1,670,610 (186,282) 494,962 332,543 4,970,303	654,429 6,432 31,878 925,333 (431,529) 2,236,704 - 191,005 1,224,457 - - 299,586 5,138,295
Loss before income taxes	(11,853,536)	(1,424,816)
Provision for income taxes (note 20)	782,135	920,057
Loss for the year	\$ (12,635,671)	\$ (2,344,873)

See accompanying notes to consolidated financial statements.

Consolidated Statement of Retained Earnings

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Retained earnings, beginning of year	\$ 22,429,285	\$ 24,466,269
Accounting change	-	(3,489,832)
Balance, beginning of year, restated	22,429,285	20,976,437
Loss for the year	(12,635,671)	(2,344,873)
Excess of exchange amount over carrying value of shares in subsidiary entity transferred to related party (note 19(c))	-	3,797,721
Retained earnings, end of year	\$ 9,793,614	\$ 22,429,285

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

		2022		2021
Cash provided by (used in):				
Operating activities:				
Loss for the year	\$	(12,635,671)	\$	(2,344,873)
Items not involving cash:				
Amortization of property, plant and equipment		1,177,031		925,333
Amortization of assets under capital lease		731,489		654,429
Amortization of intangible assets Amortization of deferred financing fees		62,093 41,229		31,878 6,432
Unrealized gain on derivative		41,229		0,432
financial instruments		332,543		299,586
Impairment of investment		514,692		-
Impairment of loan receivable		-		191,005
Impairment of goodwill		-		2,236,704
Unrealized foreign exchange on long-term debt		(2,534)		(89,873)
Unrealized foreign exchange on translation of subsidiaries		-		90,051
		(9,779,128)		2,000,672
Changes in non-cash operating working capital:				
Inventories		(3,803,840)		352,527
Accounts receivable		1,870,003		(2,793,881)
Accounts payable and accrued liabilities Prepaid expenses, deposits and other assets		5,062,084 (71,009)		1,902,337 (459,639)
Advances from customers and deferred revenue		2,376,833		(355,817)
Income taxes payable/recoverable		(366,409)		(219,910)
mosmo taxoo pajazionoco rotazio		(4,711,466)		426,289
		, , ,		,
Financing activities:				
Repayment of obligations under capital leases		(1,038,116)		(610,928)
Bank indebtedness		1,281,620		2,032,849
Repayment of demand term loan facility		2 000 000		(544,678)
Advance of long-term debt Repayment of long-term debt - net		2,000,000 (711,215)		4,700,000 (1,879,501)
Payment of deferred financing fees		(55,447)		(291,866)
1 ayment of deterred financing fees		1,476,842		3,405,876
		1,470,042		3,403,670
Investing activities:				
Marketable securities		11,343		(1,427,302)
Due from shareholder		(84,869)		(442,518)
Loan receivable		-		(191,005)
Due to (from) related parties		2,419,994		(115,147)
Acquisition of property, plant and equipment		(1,794,382)		(1,692,671)
Due to related parties Purchase of intangible assets		1,883,652 (67,456)		805,704 (252,450)
Long-term deposits		(54,957)		111,405
Long term deposits		2.313.325		(3,203,984)
Effect of exchange rate changes		405,475		(726,707)
Decrease in cash		(515,824)		(98,526)
Cash, beginning of year		3,945,816		4,044,342
Cook and of year	Φ.	2.420.000	Φ.	2.045.040
Cash, end of year	\$	3,429,992	\$	3,945,816

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Year ended December 31, 2022

Nature of operations:

Shaw-Almex Industries Limited (the "Company") is a privately owned company amalgamated under the laws of the Province of Ontario on January 1, 2017 and includes a predecessor company originally incorporated in 1958. The Company provides state-of-the-art conveyor belt vulcanizing equipment technology, services and expertise to a diverse range of industries worldwide.

The Company is a member of the Shaw Almex group of companies, consisting of companies controlled or significantly influenced by the same shareholder or the immediate family of the shareholder.

The Company wholly owns the following subsidiaries: Shaw Almex Chile SpA., Shaw Almex Mine Equip. (Tianjin) Co. Ltd., Shaw Almex Europe B.V., Shaw Almex Peru S.A.C., Almex Fusion de Mexico S de R.L. de C.V., Shaw Almex Pacific Pty. Ltd., Shaw Almex Africa (Pty) Ltd., PT Shaw Almex Indonesia, Fonmar Group, S.L., Almex Holdings, Inc., Shaw-Almex Brazil Holdings Inc. and EMSYS GmbH. All subsidiaries are consolidated. All inter-company transactions are eliminated upon consolidation.

Shaw Almex Fusion, LLC is a wholly owned subsidiary of Almex Holdings Inc.

Companies under common control comprise Shaw Almex Global Holdings Limited, Shaw Almex Overseas Ltd., Shaw Almex Pacific Real Estate Holdings Pty Ltd., Shaw Almex Spain Real Estate Holdings, S.L., Shaw Almex Africa Real Estate Holdings Pty Ltd., Shaw Almex Panama and Shaw Almex India PVT Inc.

Companies significantly influenced by the same shareholder through control by an immediate family member comprise Bristol Herrington Inc. and Shaw Dekalb Properties, LLC.

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for private enterprises (ASPE).

(b) Revenue recognition:

The Company derives its revenue primarily from the sale of belt repair and splicing products along with aftermarket products and services. The Company recognizes revenue when control of goods and services are transferred, the customer takes ownership and assumes risk of loss, collection of the related receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Estimated returns and allowances are recorded as a reduction of revenue at the time of revenue recognition. Estimates are based on historical experience and other relevant factors.

(c) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of work-in-progress and finished goods includes raw materials, direct labour and indirect manufacturing costs. The costs are assigned using the first-in, first-out cost formula.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in each period of the estimated effect of obsolete and slow-moving inventories.

(d) Property, plant and equipment and assets under capital lease:

Property, plant and equipment and assets under capital lease are stated at cost, less accumulated amortization. Amortization is provided using the declining-balance method and the following annual rates:

Asset	Rate
Asset Building Machinery and equipment Office furniture and equipment Parking area and road Computer software and technology	5% 20% 20% 4% 20%
Vehicles Leasehold improvements Assets under capital lease	30% Over the remaining lease term Over the lease term

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including property, plant and equipment and assets under capital lease subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, it is considered impaired. An impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Company uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Goodwill:

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated, at the date of the business acquisitions, to the Company's reporting units that are expected to benefit from the synergies of the business combination.

Goodwill is not amortized and is tested for impairment whenever changes in circumstances indicate that the carrying amount of the reporting unit to which goodwill is assigned may exceed the fair value of the reporting unit. When the carrying amount of a reporting unit, including goodwill, exceeds its fair value, an impairment loss is charged to goodwill in an amount equal to the excess. An impairment loss is not subsequently reversed.

(g) Intangible assets:

Intangible assets, which have a finite life, are recorded at cost less accumulated amortization. Amortization is determined using the straight-line method over three years.

(h) Investments:

The Company accounts for its investments which they do not have control or significant influence over using the cost method.

(i) Income taxes:

The Company follows the taxes payable method to account for income taxes whereby the expense (income) consist only of the costs (benefit) of current income taxes for that period, as determined in accordance with the rules established by taxation authorities.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(j) Research and development:

Research costs are expensed as incurred. Development costs are expensed in the year incurred unless management believes a development project meets the criteria for deferral and amortization.

(k) Investment tax credits:

The Company applies for investment tax credits under available government incentive programs. Investment tax credits relating to research and development expenditures are recorded in income (loss) and investment tax credits relating to capital expenditures are recorded as a reduction to the cost of such assets. Investment tax credits are subject to review by tax authorities. The benefit of investment tax credits is recognized when the amount and timing is reasonably determinable and recovery is reasonably assured.

(I) Foreign currency translation:

(i) Foreign transactions of the parent company:

The reporting currency used in the consolidated financial statements is the Canadian dollar. The functional currency of the Company is Canadian dollar. Monetary items denominated in a foreign currency are adjusted at the balance sheet date to reflect the exchange rate in effect at that date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average rates of exchange during the year.

(ii) Foreign operations:

Financial statements of self-sustaining foreign operations are translated as follows: assets and liabilities at the exchange rate at the balance sheet date and, revenue and expense at the average rates of exchange in effect for the year. Exchange gains and losses are included in the cumulative translation adjustment account in shareholder's equity.

Financial statements of integrated foreign operations are translated as follows: monetary items at the exchange rate at the balance sheet date; non-monetary items, including amortization thereon, at historical exchange rates and; revenue and expense at the average rates of exchange in effect for the year. Exchange gains and losses are included in the determination of net earnings (loss) for the year.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(m) Related party transactions:

Monetary and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(n) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment loss.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(o) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Going concern considerations:

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian accounting standards for private enterprises. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As of December 31, 2022, the Company has a history of losses, including a loss for the year ended December 31, 2022, of \$12,635,671 (2021 - \$2,344,873). In 2021, the company demonstrated a positive net income; however, it resulted in a net loss due to a one-time write-down of goodwill from a corporate reorganization of the Spanish operations. As well during 2021, the Company recognized a related-party gain, which resulted from the transfer of shares in a subsidiary entity (see note 19(c)) of \$3,797,721 which was recorded directly to retained earnings

As of December 31, 2022, the Company did not meet the financial and non-financial covenants specified in its bank borrowing agreements (notes 12 and 15), resulting in the bank having the ability to immediately demand repayment of bank loan amounts outstanding. Subsequent to year end the senior lender amended their credit agreement (note 12) to waive any defaults and to delay certain covenant testing to December 31, 2023. At the same time, the senior lender (note 12) increased their operating line of credit by 40%, providing an additional \$4 million in funding, which was margined by the company's current assets.

These conditions have resulted in material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, without the continued cooperation of the Company's lenders. As well as the Company's ability to increase production and sales while controlling expenses. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis were not appropriate for these consolidated financial statements, adjustments would be necessary for the carrying values of assets and liabilities, the reported amount of revenue and expenses, and the statement of financial position classifications used.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

3. Accounts receivable:

	2022	2021
Accounts receivable Sales tax Allowance for doubtful accounts	\$ 14,597,593 980,706 (960,628)	\$ 16,926,447 572,208 (1,010,981)
	\$ 14,617,671	\$ 16,487,674

4. Inventories:

	2022			2021	
Raw materials	\$	5,963,944	\$	5,774,846	
Work-in-progress Finished goods		2,462,051 7,701,451		1,402,566 5,907,330	
Goods in transit		2,286,424		1,525,288	
	\$	18,413,870	\$	14,610,030	

Finished goods inventories are presented net of a reserve for obsolescence of \$937,500 (2021 - \$631,604).

For the year ended December 31, 2022, the Company charged \$30,416,137 (2021 - \$29,847,370) of inventories to cost of sales.

5. Investment tax credits:

The Company incurred research and development expenditures that are eligible for investment tax credits. The investment tax credits recorded are based on management's estimates of amounts expected to be recovered and are subject to audit by the taxation authorities and, accordingly, these amounts may vary.

No investment tax credits are recorded as a reduction of research and development expense and are included in income taxes recoverable.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

6. Property, plant and equipment:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land \$	35,574 \$	- \$	35,574 \$	35,574
Building and leasehold				
improvements	3,053,224	1,766,878	1,286,346	1,034,169
Machinery and equipment	11,708,196	8,182,440	3,525,756	3,233,513
Office furniture and equipment	3,115,837	2,670,065	445,772	294,083
Parking area and road	58,539	48,121	10,418	10,853
Vehicles	925,127	704,810	220,317	298,640
\$	18,896,497 \$	13,372,314 \$	5,524,183 \$	4,906,832

Amortization for the year amounted to \$1,177,031 (2021 - \$925,333).

7. Assets under capital leases:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Machinery and equipment	\$ 6,621,345 \$	3,784,168 \$	2,837,177 \$	2,908,091

Additions to assets held under capital leases for the year ended December 31, 2022 were \$660,575 (2021 - \$1,812,240). Amortization for the year amounted to \$731,489 (2021 - \$654,429).

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

8. Intangible assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Technology Patents Other	\$ 623,086 \$ 220,248 38,676	472,178 \$ 44,050	150,908 \$ 176,198 38,676	124,488 197,255 38,676
	\$ 882,010 \$	516,228 \$	365,782 \$	360,419

Amortization for the year amounted to \$62,093 (2021 - \$31,878). During the year, the Company had \$67,456 (2021 - \$252,450) in additions.

9. Due from shareholder:

The amount due from shareholder is non-interest bearing, has no specific repayment terms and is due on demand. The Company does not intend to demand repayment during fiscal 2023.

10. Loan receivable:

The Company has a loan receivable from a third party and is unsecured with no fixed repayment terms. During 2020, the Company became aware of events and conditions that would impact the timing and amount of future cash flows. As such, the Company had fully impaired the loan. During 2021, the Company further provided the third party with \$191,005 of which was subsequently impaired. During 2022, no new amounts were provided to the third party.

11. Investments, measured at cost:

	2022	2021
Rampart Detection Systems Ltd. (35% ownership) Provision for investment impairment	\$ 514,692 (514,692)	\$ 514,692 -
	\$ -	\$ 514,692

During the year, the Company impaired their investment in Rampart Detection Systems Ltd.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

12. Bank indebtedness:

The Company has the following credit facilities with the terms and conditions described below through HSBC Bank of Canada (the "Bank").

(i) Demand operating facility:

A demand operating facility available for a maximum amount of \$10,000,000 (2021 - \$10,000,000). Advances are available by way of overdraft in Canadian dollar ("CDN") or US dollar ("USD"). CDN denominated advances bear interest at the Bank's prime rate plus 2.0% and USD denominated advances bear interest at the Bank's US base rate plus 2.0%.

As at December 31, 2022, \$9,873,539 (2021 - \$8,572,048) has been drawn on the CAD demand operating facility and CAD equivalent of nil (2021 - nil) has been drawn on the USD demand operating facility.

(ii) Standby letter of credit facility:

As at December 31, 2022, the Company has available a standby letter of credit facility denominated in Canadian dollars of up to \$2,000,000 (2021 - \$2,000,000) for a maximum term of one year. The standby letter of credit is secured by an Export Development Canada Performance Security Guarantee. As at December 31, 2022, nil (2021 - \$22,739) has been drawn on this facility.

The credit facilities in (i) and (ii) are secured by a first ranking general security agreement covering all of the Company's assets. The credit facilities contain a number of restrictive covenants that require the Company to be in compliance with certain financial ratios and non-financial criteria. During the year, the Company was in default of a financial covenant in the loan facility. Subsequent to year end, the Company defaulted on a non-financial covenant. HSBC has not indicated if they will provide a waiver as of the date of issuance.

Subsequent to year end, the Company entered into an amended and restated credit facility increasing the available limit to \$14,000,000 and deferring covenant compliance until December 31, 2023.

All amounts under the credit facilities with the Bank are repayable on demand.

The Company incurred interest expense of \$538,292 (2021- \$398,470) on the credit facilities.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Warranty provisions:

During the normal course of its operations, the Company assumes certain repair costs under warranties offered on equipment. The Company shall repair or replace any defective parts that prove to be defective under normal and proper use within 12 months from the date of shipment. During the year, the Company recognized \$50,638 (2021 - \$95,519) as product warranty costs, which has been recorded in cost of sales.

14. Government remittances:

Included in accounts payable and accrued liabilities are amounts relating to government remittances payable of \$373,597 (2021 - \$225,203).

15. Long-term debt:

	2022	2021
BDC refinance realty loan (a)	\$ 2,000,000	\$ -
BDC term loan (d)	4,438,360	4,700,000
60 month bank loan (b)	274,275	409,585
36 month bank loan (c)	218,467	535,266
Less deferred financing fees, net of accumulated	,	•
amortization of \$47,661 (2021 - \$6,432)	299,652	285,434
	6,631,450	5,359,417
Callable long-term debt	6,196,470	4,481,955
Less current portion	337,691	445,519
	\$ 97,289	\$ 431,943

(a) During 2022, the Company obtained a refinance realty loan with Business Development Bank of Canada ("BDC") of \$2,000,000 (2021 - nil), requiring payments of interest only at a rate of BDC's Floating Base Rate (8.55%) minus 1.20%. Principal instalments of \$8,330 commence January 1, 2023, continuing up to and including December 1, 2042. The interest incurred during the year on the term loan amounted to \$81,117 (2021 - nil). During 2022, the Company incurred financing fees of \$55,447 related to the BDC term loan.

The term loan is secured by first re-advanceable mortgage of the principal amount on land and buildings owned by the Company, a general security agreement, granting a general and continuing security interest in all of the Company's presented and acquired personal property with exceptions, and a guarantee from Shaw Almex Global Holdings Limited, a company under common control.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

15. Long-term debt (continued):

- (b) The Company has a 60 month bank loan of \$274,275 (2021 \$409,585) (CDN), denominated in Euro, repayable in monthly principal and interest instalments of \$10,405 starting May 2021, bears interest at a rate of 1.10% per annum. The loan matures on April 2025.
- (c) The Company has a 36 month bank loan denominated in "Reactiva Peru", in the Banco De Credito Del Peru of \$218,467 (2021 - \$535,266) (CDN), repayable in monthly principal and interest instalments of \$12,760 starting July 2021, bears interest at a rate of 1.38% per annum. The loan matures on July 2023.
- (d) The Company has a term loan with BDC of \$4,438,360 (2021 \$4,700,000), requiring payments of interest only at a rate of BDC's Floating Base Rate (8.55%) plus 2.750%. Principal instalments of \$65,270 commence September 15, 2022, continuing up to and including August 15, 2028. The interest incurred during the year on the term loan amounted to \$415,928 (2021 \$87,740).

The term loan is secured by a general security agreement, granting a general and continuing security interest in all of the Company's presented and acquired personal property as well as assignment of a life insurance policy of the ultimate shareholder. The Company has reported to BDC that it was not in compliance with certain financial and non-financial covenants. The lender has not indicated what action if any, they will take as a result of the non-compliance. The lender has not issued a waiver, as such, the entire term loan is presented as a current liability.

Principal repayments on long-term debt due in each of the next five years and thereafter are as follows:

2023	\$ 1,221,690
2024	1,000,347
2025	921,105
2026	883,200
2027	883,200
Thereafter	2,021,560
	\$ 6,931,102

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

16. Obligations under capital leases:

The Company leases machinery and equipment under agreements classified as capital leases maturing on various dates through October 2027. The leases are payable in monthly instalments ranging from \$107 to \$13,490 (2021 - \$277 to \$4,900), including interest rates ranging from 3% to 10% (2021 - 2.5% to 9.0%) per annum.

2023	\$ 1,001,409
2024	771,826
2025	271,520
2026	174,898
2027	39,139
Total minimum lease payments	2,258,792
Less amount representing interest at 3% to 10%	160,343
Present value of net minimum capital lease payments	2,098,449
Less current portion of obligations under capital leases	916,183
	\$ 1,182,266
	•

Interest incurred during the year on obligations under capital leases amounted to \$108,502 (2021 - \$67,751).

17. Commitments:

The Company entered into operating lease agreements for premises, automobiles and equipment. The minimum annual lease payments, inclusive of operating costs, are as follows:

2023	\$ 3,784,909
2024	3,086,267
2025	2,822,308
2026	1,788,902
2027	1,066,373
Thereafter	865,760
	\$ 13,414,519

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

17. Commitments (continued):

Included in the table above are leases with related parties as follows:

- (a) The Company has a commercial lease agreement with Shaw Almex Global Holdings Limited, a company under common control. The Company is subject to monthly lease payments of \$19,833 (2021 - \$ 17,000). For the year ended December 31, 2022, the Company incurred rental expense of \$238,000 (2021 - \$204,000) related to this lease. The lease is set to expire in 2026.
- (b) The Company has a commercial lease agreement with Shaw DeKalb Properties, LLC, a company under common control. The Company is subject to monthly lease payments of \$33,000 USD (2021 \$41,837). For the year ended December 31, 2022, the Company incurred rental expenses on its lease with Shaw DeKalb of \$396,000 USD (2021 \$396,000). However, in 2022, the Company could sublease its commitment to recover \$297,000 USD, a net rent expense of \$99,000 USD.
- (c) The Company has a commercial lease agreement with Bristol Herrington, LLC, a company under common control. The Company is subject to monthly lease payments of \$21,510 (2021 - \$21,510). For the year ended December 31, 2022, the Company incurred rental expense of \$258,120 (2021 - \$258,120) related to this lease. The lease is set to expire in 2027.
- (d) The Company has a commercial lease agreement with SA Pacific Real Estate Holdings, a company under common control. The Company is subject to monthly lease payments of \$17,623 (2021 \$21,171). For the year ended December 31, 2022, the Company incurred rental expense of \$213,441 (2021 \$231,707) related to this lease. The lease is set to expire in 2027.
- (e) The Company has a commercial lease agreement with SA Africa Real Estate Holdings, a company under common control. The Company is subject to monthly lease payments of \$23,685 (2021 \$17,674). For the year ended December 31, 2022, the Company incurred rental expense of \$283,904 (2021 \$63,769) related to this lease. The lease is set to expire in 2023.

As at December 31, 2022, the Company was the guarantor for lending facilities obtained by related entities. The following summarizes the details of amounts guaranteed as at year-end:

(a) Mortgage loan facility borrowed by Shaw Almex Africa Real Estate Holdings (Pty) Ltd. with available credit of \$7,200,000 (South African Rand ("ZAR")). As at December 31, 2022, the amount outstanding was \$5,791,884 (ZAR). Shaw Almex Africa (Pty) Ltd. holds the guarantee.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

17. Commitments (continued):

- (b) Mortgage loan facility borrowed by Shaw Almex Pacific Real Estate Holdings (Pty) Ltd. with available credit of \$1,249,000 (AUD). As at December 31, 2022, the amount outstanding was \$1,138,275 (AUD). Shaw Almex Pacific Pty Ltd. holds the guarantee.
- (c) Mortgage loan facility borrowed by Shaw Almex Pacific Real Estate Holdings (Pty) Ltd. with available credit of \$432,879 (AUD). As at December 31, 2022, the amount outstanding was \$356,107 (AUD). Shaw Almex Pacific Pty Ltd. holds the guarantee.
- (d) Term loan facility borrowed by Shaw Almex Global Holdings with available credit of \$1,000,000 (\$USD). As of December 31, 2022, the amount outstanding was \$1,000,000. The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance.
- (e) Term loan facility borrowed by Shaw Almex Global Holdings Limited with available credit of \$1,905,250 (CAD) for real estate in Stoney Creek, Ontario, Canada. As of December 31, 2022, the amount outstanding was \$1,905,250 (CAD). The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance.
- (f) Capital lease facility borrowed by Bristol Herrington, Inc. with available credit of \$3,000,000. As of December 31, 2022, the amount outstanding was \$2,615,435.

As at December 31, 2022, the Company was the guarantor for lending facilities obtained by unrelated entities. The following summarizes the details of amounts guaranteed as at year end:

Rental property obtained by Villalicious Foods Inc., an unrelated entity, in the amount of \$4,650 per month, expiring February 28, 2025.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

18. Share capital:

	2022	2021
Authorized:		
Unlimited common shares		
Unlimited Class A special shares		
Issued:		
Share presented as a financial liability:		
\$199,434 (2021 - \$199,434) Class A		
special shares	\$ 3,490,095	\$ 3,490,095
Share presented as equity:		
1,000 common shares	1	1
	\$ 3,490,096	\$ 3,490,096

The Class A special shares are non-voting, non-cumulative, with no fixed dividend rate, and are redeemable at \$17.50 per share at the Company's option and are also retractable. The Class A special shares in the current year are presented as a financial liability. At the option of the holder, the common shares are convertible into Class A shares at the conversion rate of one common share for 1,000 Class A special shares.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

19. Related party transactions:

(a) In addition to the related party transactions described in note 17, during the year, the Company incurred the following transactions with related parties. These transactions were made in the normal course of operations and have been measured at the agreed-upon exchange amounts. The following summarizes such transactions and balances with the related parties during the year:

2022	Accounts receivable	Accounts payable and accrued liabilities	Due from related parties	Due to related parties	Sales
Bristol Herrington, LLC	\$ -	\$ 530,339	\$ -	\$ 597,291	\$ -
Shaw Almex Global Holdings Limited	-	-	4,486,112	-	-
Shaw Almex India PVT Ltd.	50,031	86,276	-	-	130,693
Shaw Almex Overseas Ltd.	-	-	60,000	-	-
Shaw Dekalb Properties, LLC	-	569,725	-	1,973,903	-
SA Spain Real Estate Holdings	-	-	267,132	-	-
Shaw Almex Pacific Real Estate Holdings Ltd.	-	-	91,960	-	-
Shaw Almex Panama	-	-	154,804	-	-
Corp. Exchange CT Properties, Inc-CO	47,637	-	243,131	-	-
Fonmar S.A	257,722	-	-	-	-
Shaw Almex Africa Real Estate Holdings	-	141,419	-	-	-
	\$ 355,390	\$ 1,327,759	\$ 5,303,139	\$ 2,571,194	\$ 130,693

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

19. Related party transactions (continued):

2021	Accounts payable and accrued liabilities	Due from related parties		ie to rties	Sales
Bristol Herrington, LLC	\$ 260,586	\$ -	\$ 559,	053 \$	-
Shaw Almex Global Holdings Limited	-	6,726,288		-	-
Shaw Almex India PVT Ltd.	23,684	-		-	93,469
Shaw Almex Overseas Ltd.	-	95,064		-	-
Shaw Dekalb Properties, LLC	1,027,898	587,622		-	-
SA Spain Real Estate Holdings	-	298,925		-	-
Shaw Almex Africa Real Estate Holdings Ltd.	-	-	128,	489	-
Shaw Almex Pacific Real Estate Holdings Ltd.	-	15,234		-	-
	\$ 1,312,168	\$ 7,723,133	\$ 687,	542 \$	93,469

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

19. Related party transactions (continued):

(b) Due from related parties:

Included in accounts receivable is an amount due from a member of the shareholder's immediate family, in the amount of \$35,064 (2021 - \$35,064).

(c) Transfer of shares in subsidiary:

During 2021, the Company transferred shares in a subsidiary entity to Shaw Almex Global Holdings Limited in exchange for \$3,454,599. The shares included underlying assets with a net book value of \$1,390,977 and liabilities of \$1,741,520 for total net book value of (\$343,122).

Exchange amount of \$3,454,599 was included in the due from related parties (Shaw Almex Global Holdings) in the table above (note 19(a)). The purchase price shall be paid over a period of twenty years by means of annual payment of \$172,730 (EUR \$120,030). The loan is non-interest bearing.

(d) Corporate reorganization within Fonmar Group, S.L.:

During 2021, Fonmar S.A. and Commercial Faven S.A., wholly owned subsidiaries of Fonmar Group S.L., amalgamated all of their assets except the land, building and mortgage with Fonmar Group S.L. During the reorganization, Fonmar Group impaired the goodwill related to Fonmar S.A. and Commercial Faven S.A. for \$2,236,704.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

20. Income taxes:

Income tax expense differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 26.5% to the earnings (loss) before income taxes. The reasons for the differences and related tax effects are as follows:

	2022	2021
Earnings (loss) before income taxes	\$ (11,853,536)	\$ (1,424,816)
Expected income tax at the combined tax rate of 26.5% Increase (decrease) in taxes resulting from: Tax effect of difference between book and	\$ (3,141,187)	\$ (377,575)
tax amortization Tax effect of non-deductible expenses Tax effect of other temporary differences Tax effect of capital losses utilized Tax effect of non-capital losses carried forward Difference in statutory rate Other	11,362 766,097 (245,508) 2,455,082 423,850 103,774 408,665	93,324 764,183 (588,924) - 855,695 48,803 124,551
	\$ 782,135	\$ 920,057

21. Financial instruments and risk management:

(a) Credit risk:

The Company is exposed to credit risk in the event of non-payment by its customers and related parties for their accounts receivable and shareholder advances receivable. Certain accounts receivable from third-party customers are insured through Export Development Canada to a maximum value of \$3,000,000 in claims per annum. Insurance coverage will extend 365 days after the stated payment terms of the customer invoice to a maximum coverage amount of 90%. The Company believes there is minimal risk associated with these amounts. The amounts due from related parties are from entities under common control. The Company has determined that these balances are recoverable.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

21. Financial instruments and risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budget to ensure it has sufficient funds to fulfill its obligations. As at December 31, 2022, the Company was not in compliance with financial and non-financial covenant requirements of its lending agreements. These facts and the need to maintain the support of its lenders represents a liquidity risk to the Company.

(c) Interest rate risk:

The Company is exposed to interest rate risk with respect to its bank indebtedness (note 12) and long-term debt (note 15), which bear interest at floating rates. There has been no change to the risk exposures from 2021.

(d) Currency risk:

The Company undertakes revenue and purchase transactions in foreign currencies, and is therefore subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company uses forward foreign exchange contracts to manage foreign exchange transaction exposures. The primary currencies to which the Company is exposed to are the USD, RMB and EUR. The forward foreign exchange contracts are not designated as a formal hedging relationship.

(e) Foreign exchange:

As of December 31, 2022, several forward foreign exchange contracts were in place that are due on or before December 1, 2022. Under these contracts, the Company will exchange \$13,042,000 USD for \$17,380,815 Canadian dollars at rates ranging from 1.2459 to 1.3400.

The Company records these financial instruments at fair value. As at December 31, 2022, the fair value of these instruments was recorded as an liability of \$482,910 (2021 - \$150,367). The net mark to market adjustment recorded to the consolidated statement of earnings (loss) and retained earnings during the year ending December 31, 2022 was an unrealized loss of \$332,543 (2021 - \$299,586).

The Company is exposed to currency risk with regards to its cash, accounts receivable, accounts payable and accrued liabilities denominated in foreign currencies. Total amounts denominated in foreign currencies are stated in the table below (shown in CDN dollars):

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

21. Financial instruments and risk management (continued):

The following table shows the carrying amounts of the indicated financial instruments measured at amortized cost:

2022	USD	MXN	CLP	PEN	AUD	IDR	ZAR	RMB	EUR
Cash Accounts receivable Accounts payable and accrued liabilities	\$ 679,378 4,401,907 4,456,488	\$ 11,430 47,044 826,217	\$ 152,000 574,226 325,202	\$ 108,428 - 5,392	\$ 441,455 1,886,331 209,285	\$ 180,609 171,806 324,027	\$ 286,913 \$ 120,626 221,483	2,295,590 4,149,731 2,618,294	\$ 1,173,707 1,795,443 926,095

2021	USD	MXN	CLP	PEN	AUD	IDR	ZAR	RMB	EUR
Cash Accounts receivable Accounts payable and accrued liabilities	\$ 1,244,191 9,180,284 1,579,391	\$ 131,753 229,814 750,661	\$ 517,571 388,953 550,719	\$ 96,815 - 10,236	\$ 307,693 620,000 149,195	\$ 139,624 139,624 215,052	\$ 880 \$ 259,455 123,907	292,496 4,158,635 1,336,499	\$ 1,438,353 1,453,461 523,412

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

22. Cost of sales:

	2022	2021
Cost of goods sold (note 4)	\$ 30,416,137	\$ 29,847,370
Freight and shipping costs	3,696,921	3,592,645
Third-party expenses	1,311,391	1,613,582
Commissions and royalties	637,622	1,058,604
Factory overhead	696,770	429,599
	\$ 36,758,841	\$ 36,541,800

23. Operating expenses:

	2022	2021
Base salaries and pay premiums	\$ 15,310,872	\$ 14,260,074
Rent (note 17)	2,888,805	3,123,047
Administration	2,347,349	1,552,761
Professional fees	1,638,555	1,893,825
Sales and marketing	3,159,045	2,344,581
Research and development	899,549	929,407
Insurance	849,457	703,531
Repairs and maintenance	1,291,795	869,686
Property taxes	32,452	321,400
Other	1,368	-
Commissions	145,441	179,179
Bad debt expense (recovery)	(25,619)	108,042
Discretionary donations	21,376	15,910
Discretionary bonuses	22,630	8,386
	\$ 28,583,075	\$ 26,309,829

24. Comparative information:

Certain reclassifications of 2021 information have been made to facilitate comparison with the current year.

THIS IS **EXHIBIT "G"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

Financial Statements (Expressed in United States dollars)

SHAW ALMEX FUSION, LLC

And Independent Auditor's Report thereon

Year ended December 31, 2022



KPMG LLP

Vaughan Metropolitan Centre 100 New Park Place, Suite 1400 Vaughan, ON L4K 0J3 Canada Telephone 905 265 5900 Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Member of Shaw Almex Fusion, LLC

Opinion

We have audited the financial statements of Shaw Almex Fusion, LLC (the Entity), which comprise:

- the balance sheet as at December 31, 2022
- · the statement of operations and retained earnings for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements which indicates that during the year ended December 31, 2022, the Parent Company, Shaw-Almex Industries Ltd., has a history of losses and did not meet the financial and non-financial covenants specified in its bank borrowing agreements, resulting in the bank having the ability to immediately demand repayment of bank loan amounts outstanding. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Shaw-Almex Fusion LLC. ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada January 23, 2024

KPMG LLP

Balance Sheet (Expressed in United States dollars)

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 109,810	\$ 477,704
Accounts receivable (notes 3 and 4(e))	2,288,863	2,892,274
Inventories (note 5)	493,137	540,510
Prepaid expenses	482,215	516,187
Due from related parties (note 4(c))	533,713	329,077
	3,907,738	4,755,752
Plant and equipment (note 6)	2,146,587	2,027,902
	\$ 6,054,325	\$ 6,783,654
Current liabilities: Accounts payable and accrued liabilities (note 4) Deferred rent	\$ 2,928,019 109,242	\$ 1,577,555 115,809
Current portion of capital lease obligations (note 8)	476,708	446,364
	3,513,969	2,139,728
Capital lease obligations (note 8)	539,226	813,976
	4,053,195	2,953,704
Member's equity: Member interest (note 11)	10,000	10,000
Retained earnings	1,991,130	3,819,950
retained currings	2,001,130	3,829,950
Commitments (note 7) Subsequent event (note 7)		
	\$ 6,054,325	\$ 6,783,654

See accompanying notes to financial statements.

SHAW ALMEX FUSION, LLC
Statement of Operations and Retained Earnings
(Expressed in United States dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Sales (note 4(e)) Management fees (note 4(b))	\$ 6,986,090 3,366,550	\$ 6,364,935 4,343,778
	10,352,640	10,708,713
Cost of goods sold (notes 4 and 5)	8,866,684	7,289,271
Gross profit	1,485,956	3,419,442
Expenses: Selling, general and administrative Rent (note 4(f)(g)) Depreciation Bank charges	1,213,738 1,169,834 491,311 29,911	660,249 1,388,563 280,248 18,244
	2,904,794	2,347,304
Earnings (loss) before the undernoted items	(1,418,838)	1,072,138
Other expenses: Interest on capital lease obligations (note 8) Other interest expense	36,426 373,556	19,550
	409,982	19,550
Net earnings (loss)	(1,828,820)	1,052,588
Retained earnings, beginning of year	3,819,950	2,767,362
Retained earnings, end of year	\$ 1,991,130	\$ 3,819,950

See accompanying notes to financial statements.

Statement of Cash Flows (Expressed in United States dollars)

Year ended December 31, 2022, with comparative information for 2021

	2021	2021
Cash provided by (used in):		
Operations:		
Net earning (loss) Items not involving cash:	\$ (1,828,820)	\$ 1,052,588
Depreciation	491,311	280,248
Change in deferred rent	(6,567)	7,701
Changes in non-cash operating working capital:	, ,	
Accounts receivable	603,411	(784,226)
Inventories	47,373	(61,968)
Prepaid expenses	33,972	(227,689)
Due from related parties	(204,636)	122,815
Accounts payable and accrued liabilities	1,350,464	234,589
	486,508	624,058
Financing:		
Payments on capital lease obligations	(464,775)	(60,267)
Investments:		
Purchase of plant and equipment	(389,627)	(229,720)
Increase (decrease) in cash	(367,894)	334,071
Cash, beginning of year	477,704	143,633
Cash, end of year	\$ 109,810	\$ 477,704

See accompanying notes to financial statements.

Notes to Financial Statements (Expressed in United States dollars)

Year ended December 31, 2022

Nature of operations:

Shaw Almex Fusion, LLC (the "Company"), a limited liability company, was formed on April 21, 2010 in the state of Georgia and is a wholly-owned subsidiary of Almex Holdings, Inc., a Delaware corporation (the "Parent Company"). The Parent Company is a wholly-owned subsidiary of Shaw Almex Industries Limited (the "Ultimate Parent"), a Canadian corporation. The Company is a manufacturer and distributor of conveyor belt repair tools, belt splicing tools, conveyor belt repair materials, pulley lagging and cold bond splicing materials. The Company primarily markets its products in North America.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared by management in accordance with Canadian accounting standards for private enterprises.

(b) Revenue recognition:

The Company derives its revenue primarily from the sale of belt repair and splicing products along with aftermarket products and services. The Company recognizes revenue when control of goods and services are transferred, the customer takes ownership and assumes risk of loss, collection of the related receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

Estimated returns and allowances are recorded as a reduction of revenue at the time of revenue recognition. Estimates are based on historical experience and other relevant factors.

(c) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of work in progress and finished goods includes raw materials, direct labour and indirect manufacturing costs. The costs are assigned using the first-in, first-out cost formula.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in each period of the estimated effect of obsolete and slow-moving inventories. Inventories mainly consist of finished goods.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

Significant accounting policies (continued):

(d) Plant and equipment:

Plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method and following annual rates:

Asset	Rate
Machinery and equipment Leasehold improvements	3-15 years Over the lease term

(e) Impairment of long-lived assets:

Long-lived assets, including plant and equipment subject to depreciation, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, it is considered impaired. An impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Company uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Income taxes:

The Company is a limited liability company which is not subject to income taxes. Taxable income and losses are allocated directly to the member. Therefore, no provision for income taxes has been included in the financial statements of this Company.

(g) Deferred rent:

Rent under operating leases that contain step rents is charged to expense on a straight-line basis. Deferred rent represents the cumulative difference between rent expenses recognized on the straight-line basis and actual rent paid.

(h) Foreign currency translation:

Monetary items denominated in a foreign currency and non-monetary items carried at market are adjusted at the balance sheet date to reflect the exchange rate in effect at that date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average rates of exchange during the year. Exchange gains and losses are included in the determination of net earnings for the year.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(i) Government assistance:

Government assistance related to current expenses and revenues is included in the determination of earnings for the year. Government assistance related to capital expenditures is recorded as a reduction of the cost of the related item of plant and equipment.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment loss.

(k) Related party transactions:

Monetary and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(I) Use of estimates:

The preparation of the financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Going Concern:

These financial statements have been prepared on a going concern basis in accordance with Canadian accounting standards for private enterprises. The going concern basis of presentation assumes that the Parent Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As of December 31, 2022, the Parent Company has a history of losses, including a loss for the year ended December 31, 2022, of \$12,635,671 (2021 - \$2,344,873). In 2021, the Company demonstrated a positive net income; however, it resulted in a net loss due to a one-time write-down of goodwill from a corporate reorganization of the Spanish operations. As well during 2021, the Parent Company recognized a related-party gain, which resulted from the transfer of shares in a subsidiary entity of \$3,797,721 which was recorded directly to retained earnings.

As of December 31, 2022, the Parent Company did not meet the financial and non-financial covenants specified in its bank borrowing agreements, resulting in the bank having the ability to immediately demand repayment of bank loan amounts outstanding. Subsequent to year end the senior lender amended their credit agreement to waive any defaults and to delay certain covenant testing to December 31, 2023. At the same time, the senior lender increased their operating line of credit by 40%, providing an additional \$4 million in funding, which was margined by the company's current assets. These conditions have resulted in a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, as they are dependent on the Parent Company for resources and support.

These conditions have resulted in material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, without the continued cooperation of the Parent Company's lenders. As well as the Parent Company's ability to increase production and sales while controlling expenses. There is no certainty that these and other strategies will be sufficient to permit the Parent Company to continue as a going concern.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

2. Going Concern (continued):

The Parent Company consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis were not appropriate for the Parent Company consolidated financial statements, adjustments would be necessary for the carrying values of assets and liabilities, the reported amount of revenue and expenses, and the statement of financial position classifications used.

3. Accounts receivable:

	2022	2021
Accounts receivable Allowance for doubtful accounts	\$ 2,308,132 (19,269)	\$ 2,911,543 (19,269)
	\$ 2,288,863	\$ 2,892,274

Included in accounts receivable are amounts owning from related entities of \$1,514,953 (2021 - \$1,942,410) (note 4(e)).

4. Related party transactions and balances:

The following transactions occurred in the normal course of operations with entities which are related by virtue of common control and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

- (a) During the year, the Company had inventory purchases from Shaw Almex Industries Limited totalling \$192,293 (2021 \$288,586), which constituted 5% (2021 15%) of the Company's annual inventory purchases.
- (b) The Company provides management services to Shaw Almex Industries Limited. The Company has verbal agreements with this related party that provide for cost recoupment plus 15% (2021 15%). The Company recognized management fees and incurred direct labour costs of \$3,366,550 and \$2,953,735 (2021 \$4,343,778 and \$4,471,199), respectively. These management fees and direct labour costs are included in revenue and cost of goods sold, respectively, in the accompanying statement of operations and retained earnings.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

4. Related party transactions and balances (continued):

(c) As at December 31, the Company had balances due from related parties as follows:

	2022	2021
Shaw Almex Industries Limited Almex Holdings, Inc. Shaw Corporate Exchange Crt Properties Inc.	\$ 261,015 93,186 179,512	\$ 235,891 93,186 -
	\$ 533,713	\$ 329,077

The due to related parties are non-interest bearing with no set repayment terms.

- (d) Included in accounts payable and accrued liabilities are balances due to Shaw DeKalb, totalling \$217,058 (2021 \$514,773,), Fonmar S.A. totalling \$78,585 (2021 \$77,943), Shaw Almex Chile totalling \$18,840 (2021 \$15,514), Shaw Almex Europe totalling nil (2021 \$1,074), Shaw Almex Africa (PTY) Ltd. totalling \$2,728 (2021 \$7,580), Shaw Almex Equip Tianjin totaling \$101,588 (2021 nil) and Bristol Herrington LLC \$391,568 (2021 \$205,542).
- (e) In 2022, the Company generated related party sales of \$760,824 (2021 \$389,551) to entities under common control. As at December 31, 2022, balances due from these entities totalled \$1,514,953 (2021 - \$1,942,410) and are included in accounts receivable in the accompanying balance sheet.

	2022	2021
Shaw Almex Industries Limited	\$ 1,323,516	\$ 1,785,802
Almex Fusion de Mexico S. De R.L. D	11,813	19,417
Almex Peru S.A.C.	-	27,306
Shaw Almex Indonesia	-	7,828
Shaw Almex Chile S.A.	300	-
Shaw Almex Africa Pty Ltd.	132,602	92,146
Shaw Almex Mine Equipment Co. Ltd.	-	8,560
Shaw Almex Pacific Pty Ltd.	227	-
Shaw Almex Europe B.V.	5,411	1,109
Fonmar Group	5,912	242
Shaw Corporate Exchange Crt Properties Inc.	35,172	-
	\$ 1,514,953	\$ 1,942,410

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

4. Related party transactions and balances (continued):

- (f) For the year ended December 31, 2022, the Company incurred rental expenses on its lease with Shaw DeKalb of \$99,000 (2021 \$396,000). For the year ended December 31, 2022, the Company incurred rental expenses on its lease with Shaw DeKalb of \$396,000 (2021 \$396,000). However, in 2022, the Company could sublease its commitment to recover \$297,000, a net rent expense of \$99,000. The lease commitment has been included in note 7.
- (g) For the year ended December 31, 2022, the Company incurred rental expenses on its lease with Bristol of \$264,462 (2021 \$258,120). The lease commitment has been included in note 7.

5. Inventories:

	2022	2021
Raw material Work-in-progress Finished goods	\$ 49,876 15,266 427,995	\$ 23,352 17,145 500,013
	\$ 493,137	\$ 540,510

For the year ended December 31, 2022, the Company charged \$8,469,997 (2021 - \$6,938,855) of inventory costs to cost of goods sold. For the year ended December 31, 2022, the Company's estimate for obsolete and slow-moving inventories was \$9,152 (2021 - \$9,152).

6. Plant and equipment:

			2022	2021
	Cost	Accumulated depreciation	Net book value	Net book value
Machinery and equipment Leasehold improvements	\$ 2,811,599 1,095,362	\$ 1,304,019 \$ 456,355	1,507,580 \$ 639,007	1,403,259 624,643
	\$ 3,906,961	\$ 1,760,374 \$	2,146,587 \$	2,027,902

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

6. Plant and equipment (continued):

Included in machinery and equipment is machinery acquired under capital leases having an original cost of \$1,822,245 (2021 - \$1,601,875) and related accumulated depreciation of \$678,212 (2021 - \$403,682). Additions to assets held under capital lease for the year ended December 31, 2022, were \$220,369 (2021 - \$1,070,774).

7. Commitments:

As at December 31, 2022, the Company was the guarantor for lending facilities obtained by related entities. The following summarizes the details of amounts guaranteed as at year end:

- (a) Term loan facility borrowed by Shaw Almex Global Holdings Limited with available credit of \$1,000,000 for real estate in Grand Rapids, Michigan, USA, under Shaw Corporate Exchange Crt. Properties Inc. As of December 31, 2022, the amount outstanding was \$1,000,000. The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance.
- (b) Term loan facility borrowed by Shaw Almex Global Holdings Limited with available credit of \$1,905,250 (CAD) for real estate in Stoney Creek, Ontario, Canada. As of December 31, 2022, the amount outstanding was \$1,905,250 (CAD). The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance.
- (c) Term loan facility borrowed by Shaw-Almex Industries Limited with available credit of \$4,700,000 (CAD). As of December 31, 2022, the amount outstanding was \$4,438,360 (CAD). The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance
- (d) Term loan facility borrowed by Shaw-Almex Industries Limited with available credit of \$2,000,000 (CAD) for real estate in Parry Sound, Ontario, Canada. As of December 31, 2022, the amount outstanding was \$2,000,000 (CAD). The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance.
- (e) Capital lease facility borrowed by Bristol Herrington, Inc. with available credit of \$3,000,000. As of December 31, 2022, the amount outstanding was \$2,615,435.
- (f) Operating line facility borrowed by Shaw-Almex Industries Limited with available credit of \$10,000,000 (CAD). As of December 31, 2022, the amount outstanding was \$9,853,668 (CAD). The borrower was in default on certain financial covenants. The lender has not indicated what action, if any, they will take due to the non-compliance.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

7. Commitments (continued):

Subsequent to December 31, 2022, the Company entered into an agreement to be a guarantor to increase Shaw-Almex Industries Limited's operating line facility from \$10,000,000 (CAD) to \$14,000,000 (CAD). No further guarantees were provided to related entities.

The Company is committed to future minimum annual rental payments on its premises and equipment as follows:

2023	\$ 1,513,390
2024	1,265,759
2025	1,277,992
2026	654,120
2027	767,550
	\$ 5,478,811

8. Capital lease obligations:

The Company leases machinery under agreements classified as capital lease expiring on various dates through September 2027. The leases are payable in monthly instalments ranging from \$78 to \$9,960, including interest rates ranging from 2.05% to 6.55% per annum.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

8. Capital lease obligations (continued):

The future minimum annual lease payments over the next five years for obligations under capital leases are as follows:

2023	\$ 515,550
2024	415,086
2025	77,666
2026	55,957
2027	25,645
Total minimum lease payments	1,089,904
Less amount representing interest	73,970
Present value of net minimum capital lease payments	1,015,934
	, ,
Less current portion of obligations under capital lease	476,708
	,
	\$ 539,226
	 ,

Interest of \$36,426 (2021 - \$19,550) relating to capital lease obligations has been included in interest on capital lease obligations.

9. Government assistance:

In 2020, the Company obtained \$570,400 under the U.S Small Business Administration loan initiative. In accordance with the terms of the loan, the Company can apply to have the loan forgiven to the extent that they meet the following criteria:

- (a) employee and compensation levels are maintained;
- (b) the loan proceeds are spent on payroll costs and other eligible expense; and
- (c) at least 60% of the proceeds are spent on payroll costs.

In the prior year, the Company met the criteria and applied for the loan forgiveness and subsequent to year end the Company had received approval.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

10. Economic dependence:

A significant vendor is defined as one from which the Company receives at least 10% of its total purchases. The Company had purchases from one supplier totalling \$1,686,669 (2021 - \$1,964,481), which constituted 46% (2021 - 51%) of total purchases. The accounts payable balance related to this vendor as at December 31, 2022 is \$385,777 (2021 - \$277,907).

11. Member interest:

The Company was formed on April 21, 2010 in the amount of \$10,000.

12. Financial instruments and risk management:

(a) Market risk:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. COVID-19 had an impact on the operating results of the Company due to a decline in economic conditions and lockdown measures.

COVID-19 is expected to negatively impact operations for a duration that cannot be reasonably predicted. The overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Company monitors the credit risk of customers through credit rating reviews. There has been no change to the risk exposure from 2021.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budget to ensure it has sufficient funds to fulfill its obligations. See note 2 for details on the Company's ability to continue as a going concern. There has been no change to the risk exposure from 2021.

Notes to Financial Statements (continued) (Expressed in United States dollars)

Year ended December 31, 2022

12. Financial instruments and risk management (continued):

(d) Foreign exchange risk:

The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Company purchases inventories denominated in Canadian dollars from its related entity. The Company does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2021.

THIS IS **EXHIBIT "H"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS
JESSICA WUTHMANN
LSO # 72442W

essica Withmann

SHAW-ALMEX INDUSTRIES LIMITED

SA SAIL Fusion CAD CAD

S/S

December 31, 2024 BALANCE SHEET

CURRENT ASSETS

Cash	127	282
Cash Through Bank Draft & Marketable Securities		
Accounts receivable	4,337	160
Bad debt provision	-232	-18
Income Tax Recoverable	0	
Sales tax recoverable	100	128
Other receivable		3
Intercompany Receivable	4,297	36
Total Receivable	0 507	611
Total Receivable	8,587	611
Total Inventory	5,047	558
Total Prepayments	187	1,084
TOTAL CURRENT ASSETS	13,948	2,536
NON-CURRENT ASSETS	4 000	407
Property, plant and equipment	1,223	467
Assets under capital leases	929	1,274
Intangible assets Goodwill	46	
Intercompany Long-Term Receivable (DTF)	5,515	
Long-term Receivable - Other Related Party	1,216	134
	· · · · · · · · · · · · · · · · · · ·	
Total Long-Term Receivable	6,732	134
Intercompany Long-term Investments	1,745	
Total Investments	1,745	
TOTAL NON-CURRENT ASSETS	10,710	1,868
	-	
TOTAL ASSETS	24,657	4,404

EQUITY AND LIABILITIES CURRENT LIABILITIES

Total Prepayments Total Provision Deferred Revenue Current Portion of Long Term Debt Current Portion of Capital Leases Capital leases and loans - due within one year Derivative Financial Instruments	9,214 883 168 2,104	157 820 679 -311
Total Provision Deferred Revenue Current Portion of Long Term Debt Current Portion of Capital Leases Capital leases and loans - due within one year	883 168	157 820 679
Total Provision Deferred Revenue Current Portion of Long Term Debt Current Portion of Capital Leases	883	157 820 679
Total Provision Deferred Revenue Current Portion of Long Term Debt	883	157 820
Total Provision	9,214	
	9,214	33
Total Prepayments	9,214	33
Accounts prepaid/Deposits from related party	3,384	
Advances from customers/ Deferred Revenue	5,830	33
Total Payable	8,446	4,929
Other payable	113	
Sundry Payable		
Source Deduction	231	
Sales tax payable	26	5
Income tax payable	0	(
Accrual payable	249	2,212
Accounts payable	5,255	1,46
	,,,,,,	
Operating line	15,997	

NON-CURRENT LIABILITIES

Total Loans	4,083	-25
Total Capital Leases - Long-Term Portion	143	-332
Total Long-Term Liability - Other Related Parties	4,713	1,150
TOTAL NON-CURRENT LIABILITIES	8,939	9,600
TOTAL LIABILITIES	45,751	15,907
EQUITY		
Opening retained earnings	-8,391	-5,436
Retractable Shares classified as Liability	-3,490	
Profit for the year	-7,978	-6,070
Other movements		
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF PA	-21,094	-11,503
TOTAL EQUITY AND LIABILITIES	24,657	4,404

THIS IS **EXHIBIT "I"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

essica Withmann

A COMMISSIONER FOR TAKING AFFIDAVITS

JESSICA WUTHMANN

LSO # 72442W



January 27, 2023

Shaw-Almex Industries Limited 323 Glover Road Stoney Creek, ON L8E 5M2

PRIVATE & CONFIDENTIAL

Attention: Tim Shaw, CEO

Dear Sir:

We refer to the amended and restated facility letter, with Schedules, dated December 13, 2021 as further amended to the date hereof between HSBC Bank Canada (the "Bank") and Shaw-Almex Industries Limited, (the "Previous Facility Letter"). On the basis of the financial information and other information, representations, warranties and documents provided to the Bank, the Bank has agreed, at the request of the Borrower, to continue to provide the Credit Facilities and amend certain terms and conditions of the Previous Facility Letter all as more particularly set out below. The Previous Facility Letter shall, as of the date above, be amended and restated (but without novation of existing credit facilities indebtedness and obligations) to read in its entirety as follows and shall be hereafter referred to as the "Facility Letter":

BORROWER

Shaw-Almex Industries Limited (the "Borrower")

GUARANTORS

Almex Peru S.A.C.,
Almex de Fusion Mexico S. de R.L. de C.V.,
Shaw Almex Pacific Pty Ltd.,
Shaw Almex Africa Pty Ltd.,
PT. Shaw Almex Indonesia
Shaw Almex Deutschland GmbH,
Almex Holdings, Inc.,
Shaw Almex Fusion, LLC,
Shaw Almex Europe B.V.,
Shaw Almex Zambia Limited,
Shaw Almex Mine Equip (Tianjin) Co. Ltd.,
Shaw Almex Chile SpA (formerly known as Shaw Almex Chile S.A),
Shaw-Almex Brazil Holdings Inc.,
Almex Industria do Brasil Limitada,
Fonmar Group, S.L.,

(each a "Guarantor" and collectively the "Guarantors")

Each Guarantor agrees that it shall be jointly and severally, or solidarily, liable with all of the other Guarantors.

For purposes of this Facility Letter, the Borrower and Guarantors are sometimes referred to individually as a "Credit Party" and collectively as the as "Credit Parties".

CREDIT FACILITIES

The following credit facilities (collectively referred to as the "Credit Facilities") are authorized subject to the satisfaction of all terms and conditions in this Facility Letter.

1. Operating Loan Facility

1.1 Amount

Demand operating revolving loan facility ("**Operating Loan Facility**") available at the Bank's discretion by way of any of the types of advances and other credit described in section 1.3 (below) up to but not exceeding in aggregate (for all such types of advances and other credit) CAD 14,000,000, subject to the Margin Requirement, if any.

1.2 Purpose

To assist in financing the day-to-day operating requirements of the Borrower.

1.3 Availability

Loan advances and other credit under the Operating Loan Facility ("Operating Loans") are available as follows:

- (a) CAD account overdraft up to an aggregate principal amount not exceeding CAD 14,000,000 ("CAD Overdraft Loans"); and
- (b) USD account overdraft up to an aggregate principal amount not exceeding the US Dollar Equivalent of CAD 14,000,000 ("**USD Overdraft Loans**").

The Borrower shall ensure that the aggregate Canadian Dollar Equivalent of all amounts advanced and credits outstanding under the Operating Loan Facility shall at no time exceed the amount set out in section 1.1 above.

1.4 Repayment

All amounts advanced and outstanding under the Operating Loan Facility shall be repaid on demand by the Bank.

1.5 Interest

Interest on the outstanding principal balance of all Loans and other credit advanced under the Operating Loan Facility shall, unless otherwise provided, be calculated and payable as follows:

- (a) for CAD Overdraft Loans, the Bank's Prime Rate plus 2.00% per annum, calculated monthly in arrears on the daily balance on the last day of each month, payable on the first Business Day of the following month; or
- (b) for USD Overdraft Loans, the Bank's U.S. Base Rate plus 2.00% per annum, calculated monthly in arrears on the daily balance on the last day of each month, payable on the first Business Day of the following month.

1.6 Fees

The Borrower shall pay to the Bank:

(a) an administration fee of CAD 500 payable on the first Business Day of each month with respect to the previous month;

- (b) a standby fee equal to 0.25% per annum of the daily unutilized portion of the Operating Loan Facility amount available (without regard to the effect of any Margin Requirements) calculated monthly in arrears on the last Business Day of each month and payable on the first Business Day of the following month:
- (c) a late reporting fee of CAD 50 to be applied weekly at any time the Borrower does not submit the financial reporting required under this Facility Letter within the stipulated time period;
- (d) an amendment fee of CAD 40,000 payable on the date of acceptance hereof by the Borrower in connection with the above increase to the Operating Loan Facility; and
- (e) commencing on January 1, 2024, an annual review fee equal to 0.10% of the aggregate amount of the authorized Operating Loan Facility.

2. Letter of Guarantee Facility

2.1 Purpose

To finance the day to day operations of the Borrower through the issuance by the Bank of letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit or similar credits from time to time (each an "LG") upon the instructions of the Borrower and in a form satisfactory to the Bank (the "LG Facility").

2.2 Amount

LG Facility available up to permitted maximum of CAD 2,000,000 subject to the Margin Requirement, if any (the "LG Facility Limit").

The Borrower shall ensure that the aggregate Canadian Dollar Equivalent of all amounts advanced and credits outstanding (including the face amounts of any outstanding issued LGs) under the LG Facility shall at no time exceed the LG Facility Limit.

2.3 Availability

The availability of each LG shall be at the sole and absolute discretion of the Bank and subject to the Conditions Precedent. LGs are available at the Bank's discretion for terms of up to 12 months.

2.4 Repayment

Each issuance of an LG is an advance of credit (for the Borrower's account) for purposes of the LG Limit. Any amount drawn under an LG shall be immediately reimbursed to the Bank by the Borrower. Interest on any amount drawn under an LG and not immediately reimbursed by the Borrower to the Bank shall accrue, calculated monthly in arrears accruing daily at the Bank's Prime Rate plus 3% per annum.

2.5 Additional Terms and Conditions Applicable to the LG Facility

The LG Facility shall be subject to the additional terms and conditions set out in the Standard Trade Terms to the extent that such terms and conditions do not conflict with the terms and conditions of this Facility Letter.

2.6 Fees

The Borrower shall pay the Bank the following fees in respect of LGs issued under the LG Facility:

(i) at the time of issuance by the Bank of each Financial LG (including at the time of issuance of any renewal or replacement Financial LG, following maturity or expiry of a Financial LG), a fee equal to 1.50% per annum calculated against the face amount and over the term of the Financial LG, subject to a minimum per issuance of \$300;

- (ii) at the time of issuance by the Bank of each Performance LG (including at the time of issuance of any renewal or replacement Performance LG, following maturity or expiry of a Performance LG), a fee equal to 1.50% per annum calculated against the face amount and over the term of the Performance LG, subject to a minimum per issuance of \$300; and
- (iii) if applicable, the additional fees and charges set out in the "Global Trade and Receivables Finance (Canada) Schedule of Applicable Fees and Charges", as such document may be amended in the sole discretion of the Bank from time to time.

3. Margin Requirement

Notwithstanding any other provision of this Facility Letter, the Borrower shall ensure that the sum of the following (in CAD or Canadian Dollar Equivalent thereof), calculated by the Bank:

(a) the amount advanced and liabilities outstanding under the Operating Loan Facility by way of CAD Overdraft Loans and USD Overdraft Loans;

shall at no time exceed the aggregate (in CAD or Canadian Dollar Equivalent thereof, calculated by the Bank) of the following (the "Margin Requirement"):

- (i) 75% of the uninsured Acceptable Receivables of each of the Borrower and Shaw Almex Fusion, LLC; <u>plus</u>
- (ii) 90% of Insured Receivables of each of the Borrower, Shaw Almex Fusion, LLC, Shaw Almex Pacific Pty Ltd., Shaw Almex Europe B.V. and Fonmar Group, S.L, which are less than 210 days overdue from the invoice due date, or from such other overdue date as set out in the EDC Export Receivables Policy Coverage Certificate; plus
- (iii) 50% of the Acceptable Secured Inventory of each of the Borrower, Shaw Almex Fusion, LLC, Shaw Almex Pacific Pty Ltd., Shaw Almex Europe B.V. and Fonmar Group, S.L., up to an aggregate limit of CAD 6,000,000; plus
- (iv) (A) 90% of the Insured Receivables of each of Shaw Almex Chile SpA., Shaw Almex Mine Equip (Tianjin) Co. Ltd., Almex de Fusion Mexico S. de R.L. de C.V., Shaw Almex Africa Pty. Ltd., PT. Shaw Almex Indonesia and Almex Peru S.A.C.; and (B) 50% of the Acceptable Unsecured Inventory of each of Shaw Almex Chile SpA, Shaw Almex Mine Equip (Tianjin) Co. Ltd., Almex de Fusion Mexico S. de R.L. de C.V., Shaw Almex Africa Pty. Ltd., Almex Peru S.A.C. and PT. Shaw Almex Indonesia, up to an aggregate limit of CAD 5,000,000; plus
- (v) 100% of cash, credit balances and deposit instruments over which the Bank has a first ranking Lien and are deposited in bank accounts maintained with the Bank; less
- (vi) Potential Prior Ranking Claims.

4. Loan Documents

4.1 Loan Documents

The liability, indebtedness and obligations of the Borrower and the Guarantors to the Bank shall continue to be evidenced, governed and secured, as the case may be, by documents previously delivered by the Borrower and Guarantors, the continuing validity of which is hereby acknowledged by the Borrower and Guarantors, unless otherwise released by the Bank, together with any other required loan or security documents, including this Facility Letter, completed and signed in a form and manner satisfactory to the Bank (collectively the "Loan Documents"):

On Hand:

- (a) guarantee and postponement of claims (governed by Dutch law) from Shaw Almex Europe B.V. of indebtedness of the Borrower to the Bank dated May 8, 2013, secured by:
 - (i) a pledge agreement (governed by Dutch law) between Shaw Almex Europe B.V. and the Bank dated May 8, 2013;
- (b) guarantee and postponement of claims (governed by the laws of Australia) from Shaw Almex Pacific Pty Ltd. of indebtedness of the Borrower to the Bank dated January 18, 2013, secured by:
 - (i) a general security deed (governed by the laws of Australia) from Shaw Almex Pacific Pty Ltd. dated January 18, 2013, creating a first priority security interest in all present and after acquired property (including intellectual property, if any); and
 - (ii) a specific security deed (Deposits with HSBC Bank Australia Limited) (governed by the laws of Australia) from Shaw Almex Pacific Pty Ltd. dated January 18, 2013;
- (c) guarantee and postponement of claims (governed by the laws of the State of Delaware) from Shaw Almex Fusion, LLC of indebtedness of the Borrower to the Bank dated December 13, 2012, secured by:
 - (i) a general security agreement (governed by the laws of the State of Delaware) from Shaw Almex Fusion, LLC dated December 13, 2012, creating a first priority security interest in all present and after acquired property (including intellectual property, if any); and
 - (ii) security over cash, credit balances and deposit instruments by third party (governed by Ontario law) executed by Shaw Almex Fusion, LLC dated December 13, 2012;
- (d) fianza y codeuda solidaria (guarantee) from Shaw Almex Chile SpA of indebtedness of the Borrower to the Bank notarized on August 27, 2014;
- (e) prenda sin desplazamiento sobre activos (first-ranking non-possessory pledge) from Shaw Almex Chile SpA notarized on August 27, 2014;
- (f) negative pledge undertaking dated February 12, 2013 executed by Shaw Almex Chile SpA not to dispose of or pledge any of its receivables without the prior written consent of the Bank;
- (g) guarantee and postponement of claims (governed by Ontario law) from Shaw Almex Africa Pty Ltd. of indebtedness of the Borrower to the Bank dated December 19, 2013;
- (h) negative pledge undertaking dated December 19, 2013 executed by Shaw Almex Africa Pty Ltd. not to dispose of or pledge any of its assets without the prior written consent of the Bank;
- (i) guarantee and postponement of claims (governed by Ontario law) from Almex Fusion de Mexico S. de R.L. de C.V. of indebtedness of the Borrower to the Bank dated December 19, 2013;
- (j) negative pledge undertaking dated December 19, 2013 executed by Almex Fusion de Mexico S. de R.L. de C.V. not to dispose of or pledge any of its assets without the prior written consent of the Bank;
- (k) guarantee and postponement of claims (governed by Ontario law) from Shaw Almex Mine Equip (Tianjin) Co. Ltd. of indebtedness of the Borrower to the Bank, dated March 16, 2013;
- (I) negative pledge undertaking dated March 16, 2013 executed by Shaw Almex Mine Equip (Tianjin) not to dispose of or pledge any of its assets without the prior written consent of the Bank;
- (m) general security agreement from the Borrower dated November 30, 2012 creating a first priority security

- interest in all present and after acquired property (including intellectual property, if any);
- (n) assignment of all risk insurance with coverage (including extended coverage, public liability coverage and business interruption coverage), and including fire insurance if required, and in amounts and from an insurer acceptable to the Bank in each case, on all of the Borrower's personal property, showing the Bank as first loss payee with standard mortgage endorsement for property damage coverage (and as an additional insured for public liability coverage), as acknowledged/consented to by relevant insurer(s) or the authorized representative of the insurer;
- (o) assignment of book debts from the Borrower dated November 30, 2012;
- (p) assignment of Performance Security Guarantee from Export Development Canada ("**EDC**") limited to CAD 2,000,000;
- (q) documentation respecting insurance provided by EDC, as required by the Bank from time to time;
- (r) the Bank's standard documentation in connection with the provision of trade finance facilities and the issuance of DCs, LGs and/or other trade finance instruments;
- (s) assignment and postponement agreement by Timothy G. Shaw, dated November 30, 2012, in favour of the Bank of all present and future amounts owing to him by the Borrower;
- (t) agreement as to security over cash, credit balances and deposit instruments from the Borrower dated November 30, 2012; and
- (u) intercreditor agreement between the Bank and Business Development Bank of Canada dated August 13, 2021;

To Be Obtained/Amended:

- (v) guarantee and postponement of claims from Fonmar Group, S.L. of indebtedness of the Borrower to the Bank;
- (w) amendment and ratification of pledge agreement executed by Fonmar Group, S.L. with regard to the following:
 - (i) simple copy of deed of pledge over receivables (governed by Spanish law) executed by Fonmar S.A. and Comercial Faven S.A. dated March 21, 2013;
 - registered copy of the pledge over raw materials and finished goods (governed by Spanish law) executed by Fonmar S.A. and Comercial Faven S.A. dated March 21, 2013; and
 - (iii) simple copy of deed over pledge over credit rights executed by Fonmar S.A. and Comercial Faven S.A. dated March 21, 2013;
- (x) EDC guarantee under the Export Guarantee Program (EGP) guaranteeing 50% of the Operating Loan Facility up to CAD 7,000,000;
- (y) share pledge agreement executed by the Borrower in favour of the Bank with regard to the shares of all direct and indirect subsidiaries of the Borrower, other than the shares in Rampart Detection Services Ltd.;
- (z) guarantee and postponement of claims of the indebtedness of the Borrower to the Bank executed by each of the following: Almex Peru S.A.C., Almex de Fusion Mexico S. de R.L. de C.V., Shaw Almex Africa Pty Ltd., PT. Shaw Almex Indonesia, Shaw Almex Deutschland GmbH, Almex Holdings, Inc., Shaw Almex Zambia Limited, Shaw Almex Mine Equip (Tianjin) Co. Ltd., Shaw-Almex Brazil Holdings Inc. and Almex Industria do Brasil Limitada.

- (aa) assignment and postponement by related parties of the Borrower in favour of the Bank of all present and future amounts owing to such related parties by the Borrower, other than amounts owing in respect of leases of real property or equipment;
- (bb) the Bank's standard documentation in connection with the provision of trade finance facilities and the issuance of DCs, LGs and/or other trade finance instruments;
- supporting officer's certificates, certificates of status (or good standing) and other certificates in connection with each Credit Party as the Bank may reasonably require which shall confirm, among other things, the constitutional documents for each Credit Party, incumbent officers with specimen signatures of authorized signatories, and the applicable authorizing resolutions for the Loan Documents, together with legal opinion of the solicitors acting for each Credit Party confirming power and capacity of each Credit Party, existence, due authorization, execution, delivery and enforceability of the Loan Documents to which each is a party and the priority of the Liens granted by each to the Bank;
- (dd) quarterly, within 30 days of the end of each fiscal quarter, a written extension of the pledge over receivables granted by Fonmar Group, S.L., with an attached list of the then current list of accounts receivable, executed by Fonmar Group, S.L and a notary;
- (ee) quarterly, within 30 days of the end of each fiscal quarter, a written extension of the pledge over receivables granted by Shaw Almex Europe B.V., with an attached list of the then current list of accounts receivable, executed by Shaw Almex Europe B.V. and a notary; and
- (ff) such other Loan Documents as the Bank may reasonably request in order to register or otherwise perfect the Liens granted to the Bank or as the Bank may reasonably require.

4.2 Registration and Priority; Counsel Fees

The Loan Documents (or notice thereof) will be registered in all jurisdictions and at all registries as the Bank may determine is necessary or beneficial to perfect or protect its Liens. The Bank's Liens shall rank in priority to all other Liens, subject to only Permitted Encumbrances. The Borrower shall pay all legal fees and disbursements incurred by Bank's counsel in connection with negotiation, implementation and enforcement of the Credit Facilities, including any expenses incurred to perfect or register Loan Documents.

4.3 Release of Loan Documents

The Bank agrees to release the following Loan Documents:

- (a) assignment and postponement agreements by each of Robert W. Shaw and Janet Reynolds, each dated November 30, 2012, in favour of the Bank of all present and future amounts owing to them by the Borrower;
- (b) a pledge and hypothecation of securities agreement by the Borrower dated November 30, 2012 in respect of all of the issued and outstanding shares of Rampart Detection Services Ltd., together with a stock transfer power or attorney, endorsed in blank and consent resolution from the directors of private corporation whose shares are being pledged as required by the Bank, and supported by physical delivery of share certificates;
- (c) EDC Export Guarantee and approval letter for 100% of any losses related to the CAD 2,100,000 inventory cap as described in Schedule A "Acceptable Secured Inventory", specific to Fonmar Group, S.L. and Shaw Almex Pacific Pty Ltd.; and
- (d) EDC Export Guarantee and approval letter for 100% of any losses related to the CAD 1,000,000 inventory cap as described in Schedule A "Acceptable Unsecured Inventory", specific to Shaw Almex Mine Equip (Tianjin) Co. Ltd.

5. Conditions Precedent

In addition to the conditions precedent set out in Schedule A, it shall be a condition precedent to the next advance and the continued availability of the Credit Facilities that the Bank shall have received in form and content satisfactory to the Bank:

- (a) the Loan Documents, duly authorized, executed and delivered, and, as relevant, duly registered; and
- (b) copies of all Material Agreements (if any) and such other documents as the Bank may reasonably request.

6. Covenants and Conditions

- (a) Without limiting the Bank's right to demand repayment of any outstanding amounts, the Borrower covenants and agrees with the Bank that it shall not, without the prior written consent of the Bank:
 - (i) permit the ratio of Debt to TNW of the Borrower and Guarantors (on a consolidated basis) to at any time exceed 2.50 to 1.00;
 - (ii) permit the ratio of current assets to current liabilities of the Borrower and Guarantors (on a consolidated basis) to at any time be less than 1.25 to 1.00. For the purposes hereof, the amount of debt scheduled to be repaid at least one year plus one day from the balance sheet date may be excluded from current liabilities. Current assets shall exclude amounts due from related companies and affiliates; or
 - (iii) permit the Debt Service Coverage of the Borrower and Guarantors (on a consolidated basis) to be less than 1.15 to 1.00 at any time after December 31, 2023.

The Borrower agrees that the foregoing financial tests may be calculated periodically by the Bank using financial statements provided by the Borrower and the Guarantors, on a consolidated basis or with such other statements as the Bank may agree to use from time to time. Any amounts not in CAD shall be calculated at the Canadian Dollar Equivalent.

- (b) The Borrower agrees to give the Bank written notice of any of the following events as soon as possible and in any event within 5 Business Days of the occurrence thereof:
 - (i) any litigation, proceeding or dispute which if adversely adjudged, mediated or arbitrated could reasonably be expected to constitute a Material Adverse Change;
 - (ii) any representation and warranty given by a Credit Party to the Bank being false or misleading;
 - (iii) the death or insolvency of an individual Guarantor or the dissolution, merger or insolvency of any other Guarantor;
 - (iv) any notice from any Governmental Authority with respect to any violation, possible violation, non-compliance or possible non-compliance or claim which constitutes or could reasonably be expected to constitute a Material Adverse Change;
 - (v) any claim or action made or taken by a creditor of a Credit Party with respect to Debt exceeding CAD 50,000 with respect to an actual or alleged default; or
 - (vi) default by a Credit Party under any of its respective credit facilities with the Bank or any other lender.
- (c) The Borrower agrees to provide written confirmation from EDC of extensions of the performance security guarantee coverage and EDC Export Guarantee such that satisfactory coverage shall remain in place at all times.

(d) The Borrower agrees that any further acquisition of any assets or equity interests in any other party will not be completed without the Bank's prior written consent.

The Borrower shall give the Bank at least 30 Business Days prior notice of any proposed change of name by a Credit Party and any proposed change in governing jurisdiction or location of a Credit Party.

7. Reporting Requirements

The continued availability of the Credit Facilities is subject to the Borrower delivering to the Bank the following reports in a form and on a frequency acceptable to the Bank as advised by the Bank from time to time:

- (a) monthly, within 30 days of each calendar month end:
 - (i) an aged list of accounts receivable of the Borrower and each of the Guarantors, with uninsured Acceptable Receivables aged from invoice date and Insured Receivables aged from due date;
 - (ii) an aged list of accounts payable of the Borrower;
 - (iii) a declaration of inventory;
 - (iv) at the Bank's request, a detailed listing of marketable bank drafts of Shaw Almex Mine Equip (Tianjin) Co. Ltd. with copies of the actual bank drafts, or electronic versions where actual bank drafts are not available;
 - (v) a certificate of margin compliance and a certificate of covenant compliance in the form requested by the Bank;
- (b) quarterly, within 45 days of each fiscal quarter end:
 - (i) a certificate of covenant compliance in the form requested by the Bank;
 - (ii) interim internally prepared financial statements (including income statement and balance sheet) for the Borrower and Guarantors on a consolidated basis, as well as a consolidated workbook which includes the financial results for the Borrower and Guarantors:
 - (iii) management discussion and analysis of financial results for the quarter with a discussion of the significant variances from budget, and also includes a discussion of new significant business during the last quarter and forecast for the upcoming quarter, any significant orders that were delayed or cancelled, along with an updated order backlog by entity and revenue stream, and the Borrower's progress towards its Recovery Plan as prepared by Izsak Consulting; and
 - (iv) an updated monthly cash flow forecast for the next 12 month period;
- (c) quarterly, within 30 days of each fiscal quarter end, a list of all account debtors, and amounts owing, of each of Fonmar Group, S.L. and Shaw Almex Europe B.V., as at the last day of such fiscal quarter;
- (d) annually, within 120 days of the Borrower's fiscal year end:
 - (i) on a consolidated basis, draft fiscal year-end financial statements for the Borrower and each of its direct and indirect wholly-owned subsidiaries;
 - (ii) *pro forma* financial statements, cash flow forecast and budget for the following fiscal year (by month) of the Borrower and Guarantors on a consolidated basis;

- (e) annually, within 150 days of the Borrower's fiscal year end:
 - (i) audited financial statements for the Borrower;
 - (ii) on a non-consolidated basis, review engagement financial statements for each of the Guarantors;
 - (iii) on a consolidated basis, audited financial statements for the Borrower and each of its direct and indirect wholly-owned subsidiaries; and
- (f) such additional financial statements and information as and when requested by the Bank.

The monthly margin compliance certificate will be reviewed by Deloitte Restructuring Inc. and reported upon to the Bank, at the expense of the Borrower.

8. Counterparts and Electronic Communication

This Facility Letter (and each Loan Document) may be signed by handwritten signature or electronically by using technology acceptable to the Bank. To evidence execution of this Facility Letter (or any Loan Document), the Borrower or Guarantor, as applicable, must deliver and return to the Bank an executed copy of each with the original handwritten signatures of each Credit Party's duly authorized signatories (or Electronic Signatures of such signatories if so permitted by the Bank) by physical delivery, or if so permitted by the Bank, by facsimile, email or other electronic delivery or transmission and such transmission shall constitute delivery of an executed copy of the Facility Letter or relevant Loan Document. If a Credit Party uses an Electronic Signature to indicate its agreement, it shall ensure that its Electronic Signature is attached to or associated with this Facility Letter (or such Loan Document). This Facility Letter and each Loan Document may be executed in one or more counterparts and signed as outlined above, each of which when so executed when taken together shall constitute one and the same agreement. Delivery of a handwritten or electronically-signed counterpart and electronic delivery (including by email transmission or transmission over an electronic signature platform acceptable to the Bank) are each as valid, enforceable, binding and effective.

9. **Notices**

Any notice, request or other communication which the Bank or a Credit Party may be required or may desire to give for purposes of this Facility Letter shall be in writing and may be sent either by electronic transmission (facsimile or email), or hand delivery or first class registered mail postage prepaid to the addresses below. Any such notice, request or other communication shall be deemed to have been effectively given, made and received: (i) when transmitted with receipt confirmed in the case of electronic transmission if such transmission was made on or before 5:00 p.m. (Eastern time) on that Business Day, failing which it shall be deemed to have been effectively given, made and received on the next following Business Day, (ii) when received if sent by hand delivery on or before 5:00 p.m. (Eastern time) on a Business Day, failing which it shall be deemed to have been effectively given, made and received on the next following Business Day, or (iii) five (5) days after deposit in the mail if so mailed, but any notice, request or other communication to be given or made during a strike, lock-out or other labour disturbance at the post office or during an actual or threatened interruption in the mail service shall be hand delivered or sent by electronic transmission and not mailed. Any party hereto may change the address to which all notices, requests and other communications are to be sent to it by giving written notice of such address change to the other parties in conformity with this paragraph, but such change shall not be effective until notice of such change has been received by the other parties. The addresses of the parties for the purposes hereof shall be:

If to the Borrower, addressed as follows:

Shaw-Almex Industries Limited 323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

If to the Bank, addressed as follows:

HSBC Bank Canada

16 York Street, Suite 600, Box 64, Toronto, ON, M5J 0E6

Attention: John Borch
Fax Number: 416-868-3812
Email: john.borch@hsbc.ca

If to the Guarantors, addressed as follows:

Almex Peru S.A.C.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Almex de Fusion Mexico S. de R.L. de C.V. 323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Pacific Pty Ltd.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Africa Pty Ltd.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

PT. Shaw Almex Indonesia.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Deutschland GmbH.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Almex Holdings, Inc. 323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Fusion, LLC

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Europe B.V.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Zambia Limited

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Mine Equip (Tianjin) Co. Ltd. 323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Shaw Almex Chile SpA

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: <u>tim.shaw@almex.com</u>

Shaw-Almex Brazil Holdings Inc.

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: <u>tim.shaw@almex.com</u>

Almex Industria do Brasil Limitada

323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: tim.shaw@almex.com

Fonmar Group, S.L. 323 Glover Road, Stoney Creek, ON L8E 5M2

Attention: Tim Shaw Fax Number: 905-643-7788

Email: <u>tim.shaw@almex.com</u>

10. Lapse and Cancellation

This Facility Letter shall, at the option of the Bank, expire, and be of no further force and effect if an advance of credit under the Credit Facilities has not been made within sixty (60) days of the date of this Facility Letter.

Credit Facilities under this Facility Letter are uncommitted and, notwithstanding any other provision of this Facility Letter, the Bank may, at any time, in its sole discretion: (i) terminate any right to make requests for credit or advances under the Credit Facilities; (ii) even if the Bank has not terminated such right to request credit or advances under the Credit Facilities, decline any request for credit or advances under the Credit Facilities, including requests for renewals or reissuances of any instruments or advances, and may refuse to honour or accept any cheques or other payment items; (iii) demand repayment of all outstanding indebtedness and liability of the Borrower at any time, all upon such notice and otherwise in accordance with applicable law as the Bank may determine.

11. Schedules

Each of the following Schedules, as attached here or advised by the Bank from time to time, comprise part of the Facility Letter:

Schedule A - Definitions and Additional Terms and Conditions

12. Language Choice

The parties hereto have requested that this Facility Letter and any document relating thereto be drafted in English. Les parties aux présentes ont exigé que cette lettre relative aux facilités et tout document y afférent soient rédigés en anglais.

13. Acceptance

The offer of credit upon the terms and conditions contained in this Facility Letter may be accepted by the Borrower and acknowledged by the Guarantors signing, dating and delivering a copy of this Facility Letter to the Bank by 5:00 p.m. local time on January 31, 2023. Failing such acceptance and delivery to the Bank, this offer shall be of no further force or effect.

Yours truly,

HSBC BANK CANADA

Brian Pettit

Assistant Vice President

Special Credit

John Borch

Assistant Vice President

Special Credit

The undersigned hereby	acknowledge(s)	and agree(s)) to the terms and	conditions of this Faci	lity Letter as of

(a)	Where signed fully or partly using Electronic Signatures, the date indicated in connection with the
	Electronic Signature of the last or final signatory;

(b)	Where signed	l solely	by manual sig	natures, the	following date:	·
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BORROWER:

Shaw-Almex Industries Limited

Per:

Authorized Signatory

Title: Director
Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

GUARANTORS:

Almex Peru S.A.C.

Per:

Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Almex de Fusion Mexico S. de R.L. de C.V.

Per:

Authorized Signatory

Title: Director

Name:Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Shaw Almex Pacific Pty Ltd.

Per:

Authorized Signatory

Title: Director
Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Shaw Almex Africa Pty Ltd.

Per:

Thomas of the same of the same

Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

PT. Shaw Almex Indonesia

Per:



Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Shaw Almex Deutschland GmbH

Per:



Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory Title:

Name:

Almex	Holdings, Inc.
Per:	The
	Authorized Signatory Title: Director
	Name: Timothy Shaw
Per:	
	Authorized Signatory Title: Name:
Shaw	Almex Fusion, LLC
Per:	
	Authorized Signatory Title:Director
	Name:Timothy Shaw
Per:	
	Authorized Signatory Title: Name:
Shaw	Almex Europe B.V.
Per:	T) ~
	Authorized Signatory Title: Director
	Name: Timothy Shaw
Per:	
	Authorized Signatory Title:
	Name:
Shaw	Almex Zambia Limited
Per:	T/
	Authorized Signatory Title: Director
	Name: Timothy Shaw
Per:	
	Authorized Signatory

Name:

Shaw Almex Mine Equip (Tianjin) Co. Ltd.

Per:

Tylen !

Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Shaw Almex Chile SpA

Per:



Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Shaw-Almex Brazil Holdings Inc.

Per:



Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory

Title: Name:

Almex Industria do Brasil Limitada

Per:



Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory Title:

Title: Name:

Fonmar Group, S.L.

Per:

Authorized Signatory

Title: Director

Name: Timothy Shaw

Per:

Authorized Signatory Title:

Name:

SCHEDULE A

TO FACILITY LETTER FROM HSBC BANK CANADA TO SHAW-ALMEX INDUSTRIES LIMITED DATED JANUARY 27, 2023

This Schedule shall form part of the Facility Letter and the availability of the Credit Facilities as described in this Facility Letter shall also be subject to the terms and conditions contained in this Schedule.

l. <u>Definitions and Interpretation</u>

The section and Schedule headings are for ease of reference only and shall not affect the meaning or interpretation of this Facility Letter.

For the purpose of this Facility Letter, the following terms shall have the meanings indicated below.

"Acceptable Receivables" means the aggregate of accounts receivable of the Borrower or any applicable Guarantor, determined by the Bank from the most recent financial statements and aged list of accounts receivable of the Borrower and any applicable Guarantor, over which, in the case of the Borrower, Shaw Almex Fusion, LLC, Shaw Almex Pacific Pty Ltd., Shaw Almex Europe B.V. and Fonmar Group, S.L. only, the Bank holds a first ranking security interest subject only to Potential Prior Ranking Claims and Permitted Encumbrances, from customers approved by the Bank and (A) which are not Insured Receivables and are aged from invoice date and which have been outstanding for not more than 90 days, or (B) which are Insured Receivables and which are aged from due date and which have been outstanding for not more than 210 days, from which shall be excluded: (i) accounts receivable from related or affiliated corporations or other non-arm's length Persons; (ii) warranty claims receivable; (iii) tax refunds; (iv) rebates; (v) discounts (whether cash discounts, volume discounts, promotional/advertising discounts or otherwise); and (vi) accounts which are disputed by the Borrower's or any applicable Guarantor's customers; (vii) contra accounts and trade accounts receivable subject to offset; (viii) such excessive concentration of trade accounts receivable from a single customer and affiliates or from a single region or other category as the Bank may determine and notify to the Borrower; (ix) the amount of Potential Prior Ranking Claims; (x) accounts receivable that are governed by, or issued to a customer who is subject to, the laws of a jurisdiction other than Canada or the U.S. (other than in the case of Insured Receivables); (xi) accounts receivable that are "Purchased Receivables" or "Financed Receivables" (as such terms are defined in any Receivables Purchase Agreement, Trade Invoice Recourse Financing Facility Agreement or other similar agreement between the Borrower and the Bank); and (xii) such other exclusions and deductions, if any, which have been communicated by the Bank to the Borrower in writing. If any portion of an account receivable that is not an Insured Receivable has been outstanding for more than 90 days (or such other date as advised by the Bank) from the invoice date, the entire account receivable (including the portion outstanding for 90 days or less) shall be excluded from the calculation of Acceptable Receivables, except that if the portion of the account receivable that has been outstanding for more than 90 days is less than 10% of the specific account receivable and is less than CAD 100.000, the portion of the account receivable outstanding for 90 days or less may nonetheless be included in the calculation unless otherwise advised by the Bank.

"Acceptable Secured Inventory" means the value, determined by the Bank from its review of the most recent financial statements and certificate of compliance and security margin report provided by the Borrower, based on the lower of cost and fair market value of all materials owned by the Borrower, Fonmar Group, S.L., Shaw Almex Europe B.V., Shaw Almex Pacific Pty Ltd. or Shaw Almex Fusion, LLC, for resale or for production of goods for resale, excluding work in progress, and over which the Bank holds a first ranking security interest, subject only to Potential Prior Ranking Claims and Permitted Encumbrances. Acceptable Secured Inventory excludes inventory amounts financed under post-shipment buyer loan facilities.

"Acceptable Unsecured Inventory" means the value, determined by the Bank from its review of the most recent financial statements and certificate of compliance and security margin report provided by the Borrower, based on the lower of cost and fair market value of all materials owned by any Credit Party for resale or for

production of goods for resale, excluding work in progress, over which inventory the Bank does not hold security, and the Credit Party which owns such inventory has agreed either pursuant to subparagraph (a)(i) of Part V of the Schedule to the Facility Letter, or pursuant to any other written covenant, to not grant any Lien over such inventory without the prior written consent of the Bank. Acceptable Unsecured Inventory excludes inventory amounts financed under post-shipment buyer loan facilities.

"Bank Branch" means the branch of the Bank identified under the heading "Notices" in the Facility Letter or as otherwise advised by the Bank from time to time.

"Bank's CAD Fixed Rate" means the annual fixed rate of interest offered by the Bank and accepted by the Borrower for the requested funds in CAD for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4 or 5 years, subject to confirmation by the Bank, as selected by the Borrower (but in any event not diminishing or prejudicing the rights of the Bank to demand payment of all indebtedness and liabilities under the Credit Facilities at any time), but in no event shall such interest rate be less than 0% per annum. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Bank's CAD Fixed Rate from time to time.

"Bank's USD Fixed Rate" means the annual fixed rate of interest offered by the Bank and accepted by the Borrower for the requested funds in USD for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4 or 5 years, subject to confirmation by the Bank, as selected by the Borrower (but in any event not diminishing or prejudicing the rights of the Bank to demand payment of all indebtedness and liabilities under the Credit Facilities at any time) but in no event shall such interest rate be less than 0% per annum. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Bank's USD Fixed Rate from time to time.

"Bank's Prime Rate" means the variable annual rate of interest per annum established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on commercial loans in Canada denominated in Canadian dollars based on the actual number of days in a year, whether 365 or 366 days, and which was 6.70% per annum on January 27, 2023 provided that if such interest rate is less than zero, then such rate shall be deemed to be zero. Such rate is available in a Bank Branch or on the Bank's website. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Bank's Prime Rate from time to time.

"Bank's U.S. Base Rate" means the variable annual rate of interest established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on commercial loans denominated in United States dollars in Canada based on a year of 360 days, and which was 8.00% per annum on January 27, 2023 provided that if such interest rate is less than zero, then such rate shall be deemed to be zero. Such rate is available in a Bank Branch. A Certificate of a manager or account manager of the Bank shall, absent manifest error, be conclusive evidence of the Bank's U.S. Base Rate from time to time.

"Business Day" means a day, other than a Saturday, Sunday or statutory (or civic) holiday, upon which the Bank is open for business in the Bank Branch.

"<u>CAD</u>" and "Canadian <u>Dollars</u>" means lawful currency of Canada in same day immediately available funds, or, if such funds are not available, the form of money of Canada that is customarily used in the settlement of international banking transactions on the day in question.

"<u>CAD Fixed Rate Loan</u>" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"CAD Prime Rate Loan" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"<u>Canadian Dollar Equivalent</u>" means at any time on any date in relation to any specified amount in a currency other than Canadian dollars, the amount of Canadian dollars which could be purchased from the Bank by the payment of that specified amount of such other currency at the rate of exchange quoted by the Bank at or about 8:00 a.m. Pacific time on such date, including all premiums and costs of exchange.

"Collateral" means all property of the relevant Credit Party, real and personal, movable and immovable, present and future or after-acquired, subject to the Liens granted to the Bank pursuant to the Loan Documents.

"Compensating Amount" means an amount determined by the Bank to be the net cost, if any, incurred by the Bank as a direct result of the repayment of all or a portion of any advance under any of the Credit Facilities which bears interest at the Bank's CAD Fixed Rate or Bank's USD Fixed Rate or based on LIBOR or other rate, on a date other than the expiration of the selected Interest Period or LIBOR Period, including, without limitation, any unwinding costs and other losses or expenses or damages sustained or incurred by the Bank relating to such payment. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Compensating Amount from time to time.

"Compliance Action" has the meaning ascribed to it in Section XVII of this Schedule A.

"<u>Conditions Precedent</u>" means the conditions precedent to the next advance and the continued availability of the Credit Facilities set out in the Facility Letter, including this Schedule A and any other Schedules and Addenda hereto.

"<u>Credit Facilities</u>" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"Credit Party" and "Credit Parties" have the meanings ascribed to such terms under the heading "Borrower(s)" or "Guarantor(s)" as applicable, in the Facility Letter.

"DC's" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"<u>Debt</u>" means all indebtedness and liability of the Borrower including without limitation under the Credit Facilities, and Off Balance Sheet Arrangements and the principal portion of non-realty operating lease obligations, less (i) deferred taxes; (ii) loans to the Borrower that are postponed and subordinated in favour of the Bank, in form and substance satisfactory to the Bank; and (iii) the after tax portion of any management bonus or any amount payable under an employee profit sharing plan ("EPSP") which has been postponed and subordinated, to the Bank's satisfaction, to the indebtedness and liability of the Borrower to the Bank.

"<u>Debt Service Coverage</u>" means (A) EBITDA less (i) unfunded capital expenditures, (ii) deferred charges, (iii) dividends, (iv) distributions, (v) advances to related companies and affiliates, (vi) investments in related companies and affiliates, and (vii) cash taxes, including those related to any discretionary management bonus, divided by (B) the total of all payments of principal and interest on debt, capital leases and obligations under the Credit Facilities including payments under leases and Off Balance Sheet Arrangements.

"<u>Drawdown Date</u>" means the date, which must be a Business Day, specified by the Borrower in a Required Notice as being the date on which the Borrower would like to obtain an advance.

"EBITDA" means earnings before interest, taxes, depreciation and amortization plus non-cash expenses approved by the Bank, less (to the extent included in determining net income) non-cash non-recurring items on a trailing twelve month basis.

"<u>Electronic Communication</u>" means any agreement, instruction, document, information, disclosure, notice or other form of communication that is sent or stored by means of any electronic or other digital transmission.

"<u>Electronic Signature</u>" means a signature that consists of one or more letters, characters, numbers or other symbols in digital form incorporated in, attached to or associated with an Electronic Communication and includes a secure electronic signature as may be prescribed by applicable law or otherwise required by us.

"<u>Facility Letter</u>" means the letter from the Bank to the Borrower to which this Schedule is attached, together with this Schedule and all other Schedules and Addenda, and includes all amendments and restatements thereof.

"<u>Financial LG</u>" means any LG which is not a Performance LG and in that regard, determination of whether an LG is a Financial LG or Performance LG shall be at the Bank's sole discretion.

"Fixed Rate Loan" means any USD Fixed Rate Loan, or CAD Fixed Rate Loan.

"Foreign Currency Obligation" has the meaning ascribed to such term under section V of this Schedule A.

"Foreign Exchange Facility Limit" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"Governmental Authority" means any government, legislature or regulatory authority, agency, commission, law enforcement agency, board or court, tribunal or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of any nation, province, state, municipality or country or other subdivision thereof or other jurisdiction.

"Governing Jurisdiction" has the meaning ascribed to such term under section XVI of this Schedule A.

"Guarantors" means the party or parties described in the Facility Letter and includes any other party or parties who from time to time execute a guarantee or guarantees of the obligations of the Borrower under or in connection with this Facility Letter and the Loan Documents.

"HSBC Group" has the meaning ascribed to such term under section XVII of this Schedule A.

"<u>Insured Receivables</u>" means those Acceptable Receivables of the Borrower or any Guarantor which are insured for payment by Export Development Canada or a similar insurer approved by the Bank.

"Interest Period" means such period of time mutually agreed between the Bank and the Borrower.

"Legal Requirement" means any law, statute, code, ordinance, order, award, judgment, decree, injunction, rule, regulation, authorization, directive, guidance note, advisory, consent, approval, order, permit, franchise, licence, direction, deferred prosecution agreement or other requirement of any Governmental Authority.

"LG" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"<u>Lien</u>" means any mortgage, hypothec, lien, security interest, pledge, charge, prior claim, conditional sale agreement, reservation of ownership, rights of the lessor under a leasing agreement or other encumbrance of any kind in respect of any property of any Credit Party.

"Loan" means (a) any advance to the Borrower in USD on which interest is calculated and payable on the basis of the Bank's U.S. Base Rate (as a U.S. Base Rate Loan) or as a USD Fixed Rate Loan, and (b) any advance to the Borrower in CAD on which interest is calculated and payable on the basis of the Bank's CAD Fixed Rate or the Bank's Prime Rate.

"<u>Loan Documents</u>" has the meaning ascribed to such term under the heading "Loan Documents" in the Facility Letter.

"Margin Requirements" has the meaning ascribed to such term under the heading "Margin Requirement" in the Facility Letter.

"<u>Material Adverse Change</u>" means, with respect to any Credit Party any event, circumstance, act or omission which individually or in the aggregate has had or could reasonably be expected to have, a material adverse effect on: (i) the business, operations, prospects, properties, assets or condition, financial or otherwise, of such Credit Party; (ii) the ability of any Credit Party to perform its obligations and covenants in this Facility Letter or any other Loan Document to which it is a party; or (iii) to the rights and remedies of the Bank under this Facility Letter or any other Loan Document.

"Material Agreements" means agreements material to the conduct of the business of the Borrower and the Guarantors including those related to intellectual property, leases, licences and other rights of use of property.

"Off-Balance Sheet Arrangements" means any transaction, agreement or other contractual arrangement between any Credit Party and an entity that is not consolidated on the Borrower's financial statements, under which the applicable Credit Party may have: (i) any obligation under a direct or indirect guarantee or similar arrangement; (ii) a retained or contingent interest in assets transferred to an unconsolidated entity, (iii) derivatives, to the extent that the financial statements do not fully reflect fair value thereof as a liability or asset;

or (iv) any obligation or liability, including a contingent obligation or liability, to the extent that it is not fully reflected in the applicable Credit Party's financial statements.

"Performance LG" means an LG which is (a) an LG issued to secure ordinary course performance obligations of the Borrower to a third party (the "Performance Obligations"), including, without limitation, any performance related advance payment, retention or warranty obligations, in each case in connection with project engineering, procurement, construction, power business, maintenance and other similar projects (including projects about to be commenced) or bids for prospective project engineering, procurement, construction, power business, maintenance and other similar projects, or (b) an LG issued to back a bank guarantee, surety bond, performance bond, or other similar obligation in each case issued to support performance obligations and is not a documentary credit issued to finance the import or export of goods.

"Permitted Encumbrances" means liens, encumbrances or other rights permitted by the Bank in writing.

"Person" shall mean and include an individual, a partnership, a corporation, a joint stock company, a trust, an unincorporated association, a joint-venture or other entity or a government or any agency or political subdivision of the above.

"Potential Prior Ranking Claims" means, with respect to any Credit Party, the aggregate of all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a lien or trust or other claim pursuant to any law, statute, regulation or similar enactment, which ranks or is capable of ranking in priority to all or any portion of the Bank's security or in priority to any claim by the Bank for repayment of amounts owing under the Credit Facilities including, without limitation, amounts due and payable for wages, vacation pay, employee deductions (including income, CPP, EI, workers compensation, social security or other employment tax withholdings), sales tax, excise tax, tax payable pursuant to Part IX of the Excise Tax Act (Canada) (net of HST input credits) and pension fund obligations, and obligations due under any applicable laws or legislation in any jurisdiction in which the Credit Parties are located or conduct their business.

"Premises" has the meaning ascribed to such term under section VII of this Schedule A.

"Required Notice" means a written notice in form and content approved by the Bank, signed by the Borrower, given to the Bank Branch not later than 10:30 a.m. local time (of the Bank Branch) two Business Days immediately preceding the date on which:

- (a) a CAD Prime Rate Loan, a USD Floating Rate Loan, a CAD Fixed Rate Loan, a USD Fixed Rate Loan or other advance (other than by way of account overdrafts) is to be made;
- (b) a rollover is to be made from one interest option to another, or a rollover of an existing Loan on maturity to the same type of Loan; or
- (c) an LG or DC is to be issued by the Bank;

as the case may be, stating the requested date, amount and, if applicable, term to maturity (or Interest Period) of the requested advance or rollover, or particulars of the LG or DC requested.

With respect to the foregoing, a confirmation or certificate from the Bank shall be *prima facie* evidence of the Bank's CAD Fixed Rate, USD Fixed Rate, the Bank's Prime Rate, the Bank's U.S. Base Rate, from time to time.

"<u>Sanctions</u>" has the meaning ascribed to it in section II(f) of this Schedule A.

"<u>Standard Trade Terms</u>" means the Bank's "Standard Trade Terms" (as amended from time to time), which can be accessed, read and printed by the Borrower at/from www.gbm.hsbc.com/gtrfstt or, alternatively, upon request from the Borrower's relationship manager.

"<u>Taxes</u>" means any fee (including without limitation, any documentation, licence or registration fee), any tax (including, without limitation, any gross receipts, sales, use, property (personal and real), tangible or intangible and stamp tax, value added tax, income tax, excise tax), levy, imposts, duty, charge, assessment, deduction or withholding of any nature whatsoever, together with any fine, addition to tax and interest on the fee or tax.

"TNW" means the aggregate of paid in capital, retained earnings and loans (including principal and interest) to the Borrower which have been subordinated and postponed in favour of the Bank, in form and substance satisfactory to the Bank, less any assets deemed by the Bank to be intangible including, without limitation, (i) goodwill, (ii) related company and affiliate accounts receivable, (iii) advances to shareholders, (iv) deferred charges and (v) investments in related companies and affiliates.

"<u>US Base Rate Loan</u>" means an advance to the Borrower in USD in respect of which interest accrues and is payable at the Bank's U.S. Base Rate.

"<u>USD</u>" and "<u>United States Dollars</u>" means lawful currency of the United States of America in same day immediately available funds, or, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day in question.

"<u>USD Equivalent</u>" or "<u>US Dollar Equivalent</u>" means at any time on any date in relation to any specified amount in a currency other than United States dollars, the amount of USD which could be purchased from the Bank by the payment of that specified amount of such other currency at the rate of exchange quoted by the Bank at or about 8:00 a.m. Pacific time on such date, including all premiums and costs of exchange.

"<u>USD Fixed Rate Loan</u>" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

Whenever the singular or the masculine is used herein the same shall be deemed to include the plural and other Persons, and vice versa.

||. Representations and Warranties

Each Credit Party represents and warrants to the Bank, as of the date of the Facility Letter and as at the time of an advance or other utilization of any of the Credit Facilities from time to time that:

- (a) if a corporation, it has been duly incorporated and organized (or if a partnership or other legal entity, has been duly formed, or settled as relevant) and organized and is properly constituted, is in good standing and subsisting and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets;
- (b) the execution of this Facility Letter and the other Loan Documents and the incurring of liability and indebtedness to the Bank does not and will not contravene:
 - (i) any Legal Requirement applicable to such Credit Party; or
 - (ii) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which it is a party;
- (c) this Facility Letter and the other Loan Documents to which it is a party have been duly authorized, executed and delivered by it, and constitute its valid and binding obligations and are enforceable in accordance with their respective terms;
- (d) all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the execution and delivery of this Facility Letter and the other Loan Documents; and
- (e) all financial and other information provided to the Bank in connection with the Credit Facilities is true and accurate, and it acknowledges that the offer of credit by the Bank contained in this Facility Letter is made in reliance on the truth and accuracy of this information and the above representations and warranties.
- (f) neither the Borrower nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is an individual or entity (nor does the Borrower nor any such other entity or person operate, possess, own, charter, or use a vessel) that is, or is owned or controlled by any one or more Persons that are:

- (i) the subject of any sanctions issued, administered or enforced by, or named on any list of specially designated or blocked Persons maintained by, the Office of Foreign Assets Control of the US Department of the Treasury, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority, or the Department of Global Affairs (Canada), Foreign Affairs, Trade and Development Canada, Canada Border Services Agency, or Justice Canada, including any enabling legislation or executive order related thereto, and any similar sanctions laws as may be enacted from time to time in the future by the United States, Canada, the European Union (and any of its member states), the United Kingdom or the United Nations Security Council, or any other legislative body of the United Nations or other relevant Governmental Authority (collectively, "Sanctions"), or (ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions other than to the extent that such representation and warranty would result in a violation of an applicable Legal Requirement in which case the applicable Credit Party shall immediately notify the Bank and provide particulars;
- (g) with respect to each LG or DC issued by the Bank pursuant to any of the Credit Facilities, all required import or export licenses applicable to the transactions for which such LG or DC is issued have been obtained and the Borrower is in compliance in all material respects with foreign and domestic laws and regulations pertaining to each jurisdiction in which it operates and to each LG and/or DC and the subject matter of such LG and/or DC including, if applicable, the shipment and financing of the goods described in such LG and/or DC; and
- (h) no shares in a Credit Party have been issued as, or are held as, or convertible to, bearer shares.
- (i) it holds insurance coverage in accordance with the requirements set forth in Section VI of this Schedule A.

III. Interest, Fees

- (a) Interest on the daily balance of the principal amount advanced under the Credit Facilities and remaining unpaid from time to time shall accrue and shall be payable by the Borrower as set out in this Facility Letter both before and after demand, default, maturity, or judgment and until indefeasible payment in full, except as otherwise expressly provided for.
- (b) If the Borrower repays any portion of the Credit Facilities accruing interest at the Bank's CAD Fixed Rate or the Bank's USD Fixed Rate or based on a date other than the expiration of the selected Interest Period, as the case may be, whether as a result of a demand for repayment by the Bank or otherwise, it shall also concurrently pay to the Bank the greater of:
 - (i) three months' interest on the portion prepaid at the interest rate applicable to such Credit Facility; and
 - (ii) the applicable Compensating Amount.
- (c) Interest based on the Bank's U.S. Base Rate shall be computed on the basis of a year of 360 days and for actual days that the amounts are outstanding under the relevant Credit Facilities on this basis. For the purpose of the *Interest Act (Canada)*, (i) the annual rate of interest to which interest computed on the basis of a year of 360 days is equivalent is the rate of interest as provided in this Facility Letter multiplied by the actual number of days in such year (whether 365 or 366) and divided by 360 and (ii) the annual rate of interest to which interest computed on the basis of a year of 365 days is equivalent is the rate of interest as provided in this Facility Letter multiplied by the actual number of days in such year (whether 365 or 366) and divided by 365. The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facilities based on the methodology for calculating per annum rates provided for in this Facility Letter. The Bank agrees that if requested in writing by the Borrower, it shall calculate the nominal and effective per annum rate of interest on any 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 Credit Party of any of its obligations under this Facility Letter or any other

Loan Document, nor result in any liability to the Bank. Each Credit Party hereby irrevocably agrees not to plead or assert, whether by way of defence 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 the Credit Parties, whether pursuant to section 4 of the *Interest Act (Canada)* or any other applicable law or legal principle.

- (d) Upon expiration of the Interest Period of any CAD Fixed Rate Loan or USD Fixed Rate Loan, unless another interest rate option is selected by the Borrower to refinance such Loan by delivery to the Bank of a Required Notice:
 - if in CAD, it shall bear interest at the rate applicable to, and payable as described for, CAD Overdraft Loans;
 - (ii) if in USD, it shall bear interest at the rate applicable to, and payable as described for, USD Overdraft Loans;

provided that if the Facility Letter does not provide for such an Overdraft Loan:

- (iii) if in CAD, it shall bear interest at the Bank's Prime Rate plus 3% per annum, calculated daily and payable monthly; or
- (iv) if in USD, it shall bear interest at the Bank's U.S. Base Rate plus 3% per annum, calculated daily and payable monthly.
- (e) The fees paid to and received by the Bank shall be its entitlement as consideration for the time, effort and expense incurred by the Bank in the review of financial statements and its review and administration of documents, and the Borrower acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in this Facility Letter represent a reasonable estimate of such costs.
- (f) Whenever any payment shall be due on a day which is not a Business Day including, for greater certainty, if such date is the end of an Interest Period, the date for payment thereof shall be extended to the next succeeding Business Day. Interest shall continue to accrue and be payable thereon as provided herein, until the date on which such payment is received by the Bank.
- In the event that interest is not received by the Bank on any date for payment provided for in this Facility Letter or in any other relevant document, interest on such overdue interest shall be compounded on the basis of interest calculated and payable on overdue interest in the same manner and at the same rate per annum as is applicable to such overdue interest until indefeasible payment in full. Any other amounts which become payable to the Bank under this Facility Letter or the other Loan Documents and which are not paid when due shall accrue interest and be payable from the due date at the Bank's Prime Rate plus 3% per annum, calculated and payable monthly on the last day of each month, both before and after demand, default, maturity or judgment and until indefeasible payment in full (other than for overdrafts exceeding the permitted limit which shall accrue interest at the rate of 21% per annum both before and after demand, default and judgment until indefeasible payment in full).
- (h) All payments to the Bank shall be made at the address of the Bank Branch or at such other place as the Bank may specify in writing from time to time. The Borrower shall make payment to the Bank in immediately available funds in the same currency(ies) as the currency in which the original Loan, BA Advance or other credit was advanced or made available by the Bank. Any payment delivered or made to the Bank by 1:00 p.m. local time at the place where such payment is to be made shall be credited as of that day, but if made after such time such payment shall be credited as of the next Business Day.
- (i) Notwithstanding anything to the contrary contained in this Facility Letter, the parties acknowledge that: (i) the applicable rate of interest payable by a Borrower in connection with this Facility Letter shall not be less than zero, and in the event any reference rate is negative it shall be deemed to be zero; and (ii) the Bank may, in its discretion, and is hereby irrevocably authorized by the Borrower to, make an advance under the Credit Facilities (or debit or set-off any bank account of a Borrower with the Bank in any currency), to pay any unpaid interest, fees or other amounts which have become due under the

terms of this Facility Letter. If any provision of this Facility Letter or any other Loan Document would obligate a Credit Party to make a payment of interest or other amount to the Bank in an amount or calculated at a rate that would be prohibited by law or would result in receipt by the Bank of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in receipt by the Bank of interest at a criminal rate.

- The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Credit Facilities, and interest, fees and other amounts due in connection with the Credit Facilities, in an account of a Borrower maintained by the Bank shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Credit Facilities; provided that the obligation of the Borrower to pay or repay any obligations in accordance with the terms and conditions of the Credit Facilities shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, including any amounts for which the Borrower is jointly and severally, or solidarily, liable, if any, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Facility Letter.
- (k) The obligation of the Borrower to make all payments under this Facility Letter and the other Loan Documents shall be absolute and unconditional and shall be made without any deduction or withholding of any nature and shall not be limited or affected by any circumstance, including, without limitation:
 - (i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Bank or anyone else for any reason whatsoever; or
 - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.
- (I) In addition to and not in limitation of any rights now or hereafter available to the Bank under applicable law or arising under the Loan Documents, the Bank is hereby irrevocably authorized, at any time and from time to time, to set-off and appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by the Bank to or for the credit of the Borrower against and on account of the obligations of the Borrower to the Bank under this Facility Letter, irrespective of currency and irrespective whether such obligations of the Borrower are owing on a joint and several, or solidary, basis. The Bank agrees to provide written notice to the Borrower of the exercise of any of the rights under this section promptly after the exercise of such rights.
- (m) The Borrower shall pay to and indemnify and save harmless the Bank for the full amount of all out of pocket costs and expenses (including, but not limited to, any interest payable in order to maintain any Loan hereunder) which the Bank may sustain or incur as a consequence of the failure by the Borrower to pay when due any principal of or any interest on any Loan or any other amount due hereunder.
- (n) All payments made on account of principal, interest or otherwise shall be made to the Bank, to the extent permitted by applicable Legal Requirements, free and clear of and exempt from, and without deduction for or on account of, any present or future Taxes or other charges of any nature imposed, levied, collected, withheld or assessed by any Governmental Authority. However, in the event that any payments made under this Facility Letter shall not be made free and clear of and exempt from, and without deduction or withholding for or on account of any Taxes, then the Borrower shall gross up the payments to the Bank so that the Bank receives such additional amounts as may be necessary in order that each such net payment to the Bank, after payment or deduction or withholding for and on account of any such Taxes, will not be less than the amount to be paid and received by the Bank in accordance with this Facility Letter. With respect to each such deduction or withholding, the Borrower shall promptly pay any such Taxes and (but in no event later than 90 days after payment) furnish to the Bank evidence

- of such payment, satisfactory to the Bank and also at the Bank's request provide such certificates, receipts and other documents required to establish any tax credit to which the Bank may be entitled.
- (o) The agreements of the Borrower pursuant to the foregoing subparagraphs (m) and (n) shall survive the repayment of the Loans and the termination of this Facility Letter or the Credit Facilities (or both).
- (p) The remedies, rights and powers of the Bank under this Facility Letter, the other Loan Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank and no delay or omission in exercise of such remedy, right, or power shall exhaust such remedies, rights or powers or be construed as a waiver of any of them.

IV. Conditions Precedent

In addition to the conditions precedent previously set out in the Facility Letter, it shall also be a condition precedent to the initial advance and continued availability of any credit or advances under any of the Credit Facilities that the Bank shall have received and be satisfied with:

- (a) Duly completed and executed Loan Documents registered where necessary in form and manner satisfactory to the Bank's solicitors;
- (b) satisfactory banker's and/or other agency reports on the financial position of each Credit Party and such customers of the Borrower as the Bank may specify from time to time;
- (c) the insurance coverage arranged by the Borrower conforming to the requirements set forth in section VI of this schedule;
- (d) confirmation that the Borrower is in compliance with each of the terms and conditions of this Facility Letter;
- (e) all identification, business activity, business structure and other "know your customer" documents and information as required by the Bank and any screening conducted in accordance with Sanctions and other applicable legal requirements; and
- (f) such other conditions as the Bank may determine, in its discretion.

V. Covenants and Conditions of Credit

In addition to the conditions previously set out, the following additional conditions shall apply until all indebtedness and liability under the Credit Facilities are indefeasibly repaid in full to the Bank and the Credit Facilities cancelled:

- (a) Neither the Borrower nor any Guarantor shall, without the prior written consent of the Bank:
 - (i) grant or allow any Lien to be registered against or exist on any of its property, assets or undertaking other than in favour of the Bank, and in particular, without limiting the generality of the foregoing, shall not grant a trust deed or other instrument in favour of a trustee;
 - (ii) become a guarantor or an endorser or otherwise become liable upon any note or other obligation other than in favour of the Bank or in the normal course of business of the Borrower;
 - (iii) declare any management bonus, declare or pay dividends on any class or kind of its shares or other securities, repurchase or redeem any of its shares or other securities, or reduce its capital in any way whatsoever or repay any shareholders' advances that would cause a breach of agreed covenants;
 - (iv) amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change in ownership or corporate

structure of the Borrower or the Guarantors, or issue bearer shares;

- (v) permit any taxes to be past due at any time; or
- (vi) enter into any agreement for the purchase or sale of any property or assets outside the normal course of business;
- (vii) use the Credit Facilities to accumulate or maintain cash or cash equivalents in an amount, in aggregate greater than CAD 2,500,000, but excluding therefrom cash or cash equivalents accumulated or maintained for a specified business purpose that is lawful and not for purposes in contravention of the Facility Letter (other than simply accumulating cash reserve), and, for greater certainty, the Bank may refuse to make any requested advance which the Bank, acting reasonably, determines would result in a contravention of this section; or
- (viii) borrow money, obtain credit or incur additional funded indebtedness (other than pursuant to the Credit Facilities).
- (b) Each Credit Party agrees to file all tax returns which it is required to file in accordance with any Legal Requirement from time to time; to pay or make provision for the payment of all taxes (including any interest and penalties); to pay any Potential Prior Ranking Claims when due; and to maintain adequate reserves for the payment of any tax which is being contested diligently in good faith.
- (c) The Bank shall have the right to waive the delivery of any Loan Documents or the performance of any term or condition of this Facility Letter, and may advance all or any portion of the Loan(s) prior to satisfaction of any of the Conditions Precedent, but waiver by the Bank of any obligation or condition shall not constitute a waiver of performance of such obligation or condition for any future advance.
- (d) All financial terms and covenants shall be determined in accordance with generally accepted accounting principles, applied consistently.
- (e) If the amount outstanding under any Credit Facility (i) in CAD plus the Canadian Dollar Equivalent of the amount outstanding under any of the Credit Facilities in a currency other than Canadian Dollars, or (ii) in USD plus the USD Equivalent of the amount outstanding under any of the Credit Facilities in a currency other than USD, at any time exceeds the amount of such Credit Facility specified above (taking into account the Margin Requirement, if any), the Bank may, from time to time, in its sole discretion:
 - (i) limit the further utilization of that Credit Facility;
 - (ii) convert all or part of the amount outstanding under that Credit Facility to Canadian Dollars in which event, interest shall accrue and be paid on such converted amounts at the rate set out in this Facility Letter for Canadian dollar advances accruing interest with reference to the Bank's Prime Rate. If no such rate is set out in this Facility Letter, interest shall accrue on the amount so converted at the Bank's Prime Rate plus 3% per annum, calculated monthly and payable on the last day of each month, both before and after demand, default, maturity or judgment and until indefeasible payment in full; or
 - (iii) require the Borrower to pay the excess.
- (f) With respect to any monies payable by the Borrower hereunder, or any portion or portions thereof, which are payable in a currency other than CAD (the "**Foreign Currency Obligation**"), the following provisions shall apply:
 - (i) payment of the Foreign Currency Obligation made hereunder shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation, or

counterclaim and free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto.

- (ii) if the Borrower makes payment to the Bank, or if an amount is applied by the Bank, in CAD in circumstances where the relevant indebtedness and liabilities constitute a Foreign Currency Obligation, such payment or amount shall satisfy the said liability of the Borrower hereunder only to the extent that the Bank is able, using the rate of exchange applied by the Bank in accordance with its normal banking procedures, to purchase the full amount of the relevant foreign currency owing with the amount of the CAD received by the Bank on the date of receipt, and the Borrower shall remain liable to and hereby agrees to indemnify the Bank for any deficiency (together with interest accruing thereon calculated and payable pursuant to the terms of the relevant underlying indebtedness and liabilities).
- (iii) the Borrower shall indemnify and hold the Bank harmless from any loss incurred by the Bank arising from any change in the value of CAD in relation to the relevant foreign currency between the date the Foreign Currency Obligation becomes due and the date of full, final and indefeasible payment thereof to the Bank.
- (iv) if for the purpose of commencing any proceeding against the Borrower to enforce payment of its indebtedness and liability under the Credit Facilities it is necessary to convert a sum due hereunder in a foreign currency into CAD, the rate of exchange used for purposes of commencing such proceeding shall be the rate of exchange at which in accordance with its normal banking procedures the Bank could purchase CAD with such foreign currency amount claimed to be due hereunder on the Business Day preceding that on which proceeding is commenced.
- (v) the obligation of the Borrower in respect of any such sum due from it to the Bank hereunder shall, notwithstanding any judgment in CAD, be discharged only to the extent that on the Business Day following receipt by the Bank of any sum adjudged to be so due in CAD the Bank may in accordance with its normal banking procedures purchase the relevant foreign currency in the full amount owing to the Bank with the CAD; if the amount of such foreign currency so purchased is less than the sum actually due to the Bank in such foreign currency the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss and if the foreign currency purchased exceeds the sum actually due to the Bank in the foreign currency, the Bank agrees to remit such excess to the Borrower as the Borrower may be entitled thereto.
- (g) The Borrower confirms that it will (i) not, directly or indirectly, use any amounts advanced or seek advances under the Credit Facilities for any illegal purpose or (a) to fund any activity or business with any person or in any country or territory that is the subject or target of Sanctions or (b) in any manner that would result in a violation of Sanctions by any person (including any lender, advisor, or otherwise) and (ii) not repay any amounts owing to the Bank using any funds derived directly or indirectly from any illegal or sanctionable activity, provided that this covenant shall be inapplicable only to the extent of any relevant violation of the *Foreign Extra-Territorial Measures Act* (Canada) or any similar applicable antiboycott law or regulation.

VI. <u>Insurance Matters</u>

(a) The Borrower and each Guarantor providing security to the Bank shall insure and keep insured, with good and responsible insurance companies, all of their Collateral against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like property. The Borrower and each Guarantor providing security to the Bank shall also insure such other hazards and risks (including employers' and public liability risks) as and to the extent usually insured by Persons similarly situated and conducting similar businesses. The Borrower and each Guarantor providing security to the Bank shall at all times insure or cause to be insured such property against such risks and hazards as other Persons similarly situated insure against, and including in any event loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards as the Bank may

determine. The Borrower shall, prior to the first advance hereunder and at any time on demand by the Bank, furnish to the Bank a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section. Notwithstanding the foregoing, all insurance required hereby shall be maintained in amounts and under policies and with insurers acceptable to the Bank, and all such policies shall contain a standard mortgage clause and loss payable clauses naming the Bank as loss payee and first mortgagee in a form acceptable to the Bank. The Borrower and each Guarantor providing security to the Bank shall pay or cause to be paid all premiums on such insurance. Certificates of insurance evidencing compliance with the foregoing and, at the Bank's request, copies of the policies of such insurance, shall be delivered by the Borrower to the Bank annually. All insurance required hereby shall provide that any loss shall be payable to the Bank notwithstanding any act or negligence of the insured, shall provide that no cancellation thereof or amendment thereto shall be effective until at least thirty (30) days prior written notice thereof to the Bank, and shall be satisfactory to the Bank in all other respects.

(b) In case of any loss, damage to or destruction of the Collateral or any part thereof, the Borrower shall promptly give written notice thereof to the Bank describing the nature and extent of such damage or destruction. The Borrower and each Guarantor providing security to the Bank hereby authorizes the Bank to adjust, compromise and settle any such losses under any insurance afforded, and does hereby irrevocably constitute the Bank, and each of its nominees, officers, agents, attorneys, and any other Person whom the Bank may designate, as its attorney, with full power and authority to effect such adjustment, compromise or settlement and to endorse any drafts drawn by an insurer of the Collateral or any part thereof and to do everything necessary to carry out such purposes. In the event the Borrower or any Guarantor providing security to the Bank shall receive any proceeds of such insurance regarding such loss, damage or destruction, the Borrower or such Guarantor shall immediately pay over or cause to be paid such proceeds to the Bank. Net insurance proceeds received by the Bank under the provisions hereof or under any policy of insurance covering the Collateral or any part thereof shall be held as collateral security for or applied to the reduction of the obligations secured under the Loan Documents, whether or not then due, as the Bank may determine in its sole discretion. If insurance proceeds are released to the Borrower or a Guarantor, the Borrower or the relevant Guarantor shall at its cost and expense, promptly cause to be repaired or replaced the Collateral so lost, damaged or destroyed (whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for that purpose). All insurance proceeds shall be subject to the Liens of the Bank under the Loan Documents.

VII. <u>Environmental Matters</u>

- (a) To the best of the Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any of the Borrower's lands, facilities or premises (the "Premises") or any adjacent property, nor have any such substances been stored or used on the Premises or in the Borrower's business or any adjacent property prior to the Borrower's ownership, possession or control of the Premises. The Borrower agrees to provide written notice to the Bank immediately upon the Borrower becoming aware that the Premises or any adjacent property are being or have been contaminated with regulated, hazardous or toxic substances. The Borrower shall not permit any activities on the Premises which directly or indirectly could result in the Premises or any other property being contaminated with regulated, hazardous or toxic substances. For the purposes of this Facility Letter, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any Legal Requirement now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such Legal Requirement.
- (b) The Borrower shall promptly comply with all Legal Requirements relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in, on, or under the Premises or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Premises, or incorporated in any improvements thereon. The Bank may, but shall not be obligated to, enter upon the Premises and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower shall reimburse the Bank on demand

for the full amount of all costs and expenses incurred by the Bank in connection with such compliance activities.

(c) The property of the Borrower which are now or in the future encumbered by any one or more of the Loan Documents are hereby further mortgaged and charged to the Bank, and the Bank shall have a Lien on such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Credit Facilities.

VIII. <u>Increased Cost Indemnities.</u>

If any change in the applicable Legal Requirements or in their interpretation or the administration of any of them by any Governmental Authority, or compliance by the Bank with any request (whether or not having the force of law) of any relevant central bank or other comparable agency or Governmental Authority, shall change the basis of taxation of payments to the Bank of the principal of or interest on the Loans or any other amounts payable under this Facility Letter (except for changes in the rate of tax on, or determined by reference to, the net income or profits of the Bank) or shall impose, modify or deem applicable any reserve, special deposits or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank or shall impose on the Bank or the London interbank market any other conditions directly affecting this Facility Letter or the Loans, and the result of any of the foregoing is to increase the cost to the Bank of making the Loans or maintaining the Loans or to reduce the amount of any sum received or receivable by the Bank under this Facility Letter by an amount deemed by the Bank to be material, then the Borrower shall, upon receiving notice from the Bank, reimburse to the Bank, on demand by the Bank, such amount or amounts as will compensate the Bank for such additional cost or reduction. A certificate of a manager or account manager of the Bank setting forth the additional amounts necessary to compensate the Bank as aforesaid, and the basis for its determination, shall be conclusive as to the determination of such amount in the absence of manifest error.

IX. Bank Visits

Representatives of the Bank shall be entitled to attend at and inspect the Borrower's place(s) of business and to view all financial records of the Borrower and meet with key officers or employees of the Borrower at any time, on reasonable notice.

X. Legal and Other Expenses

The Borrower shall pay (i) all reasonable legal fees and disbursements (on a solicitor and own client basis) in respect of legal advice and services to or on behalf of the Bank in connection with the Credit Facilities including: the preparation, negotiation and settlement of the Facility Letter, the preparation, issue and registration of the other Loan Documents together with any amendments or restatements thereto from time to time; the enforcement and preservation of the Bank's rights and remedies; searches from time to time, including in connection with any advance; and (ii) all reasonable fees and expenses relating to appraisals, insurance consultation, environmental investigation, credit reporting and other due diligence and to responding to demands of any Governmental Authority; whether or not the documentation is completed or any funds are advanced under the Credit Facilities.

XI. Non-Merger; Records of Bank; Assignment

The terms and conditions of this Facility Letter shall not be merged by and shall survive the execution and delivery of the Loan Documents.

The taking of judgment on any covenant contained in this Facility Letter and/or the other Loan Documents shall not operate so as to create any merger or discharge of any indebtedness or liability of the Borrower under, nor of any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security of any form held or which may in the future be held by the Bank from the Borrower or from any other Person.

The benefits conferred by this Facility Letter and the other Loan Documents shall enure to the benefit of the Bank and its successors and assigns and shall be binding on each Credit Party and their respective heirs, successors and permitted assigns.

The records of the Bank as to the making or rollover of Loans (and the amounts thereof) hereunder, payment of any money payable hereunder or any part thereof being in default or of any notice or demand for payment having been made shall be prima facie proof of such fact, absent manifest error.

No Credit Party shall assign all or any of its rights, benefits or obligations under this Facility Letter or the other Loan Documents without the prior written consent of the Bank. The Bank shall be entitled, without the consent of the Credit Parties, to assign, syndicate, sell or transfer all or any portion of its rights, benefits and obligations under this Facility Letter and the other Loan Documents.

XII. Waiver; Amendment

No term or condition of this Facility Letter or any of the other Loan Documents may be waived or varied verbally or deemed to be waived or varied by any cause or course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by a duly authorized officer of the Bank.

Any amendment to this Facility Letter or the other Loan Documents must be in writing and signed by a duly authorized officer of the Bank. Without limiting the foregoing, the Bank may amend this Facility Letter if such amendment is required in connection with any change in applicable law or its interpretation or in connection with any Legal Requirement; the Bank shall provide 30 days prior written notice of any such amendment.

XIII. Severability

Any provision of this Facility Letter or the other Loan Document which is determined or adjudged to be illegal, invalid, prohibited or unenforceable under applicable law in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such illegality, invalidity, prohibition or unenforceability and shall be severed from

the balance of this Facility Letter or such other Loan Document, all without affecting the remaining provisions of this Facility Letter or such other Loan Document or affecting the legality, validity or enforceability in any other jurisdiction.

XIV. Consent to Disclosure

- (a) Each Credit Party consents to and acknowledges that it is aware that credit, financial and personal inquiries and information regarding each Credit Party and individuals connected to Credit Parties (including directors, officers, shareholders and individuals acting on behalf of a Credit Party) may be gathered, made, maintained and/or used at any time in connection with: (i) initial and ongoing credit assessment, (ii) any funding of the Credit Facilities by investors or participants or any assignment or sale of the Credit Facilities by the Bank, (iii) the enforcement of any remedies that the Bank may have under the Credit Facilities, and (iv) compliance and risk monitoring purposes. Each Credit Party consents to the making of any such inquiries by or on behalf of the Bank, confirms the consent of any such individuals connected to Credit Parties has been provided, if required, to such collection, use and disclosure, and consents, without restriction and without further notice to or further consent, to disclosure of such information to any service provider, prospective investor, participant, assignee or purchaser of all or any part of the Credit Facilities, to any affiliate or supplier of the Bank, and to any regulator, examiner, monitor, auditor or similar person.
- (b) The Bank may collect, use, transfer and disclose information for the following purposes and as follows:
 - (i) Providing the Credit Facilities (including adjudicating, monitoring, and reviewing availability of the Credit Facilities) and information respecting other services;
 - (ii) Taking any Compliance Action referred to in this Schedule A (including actions taken to comply with laws, international guidance, internal policies or procedures, requirements from judicial, administrative, law enforcement and regulatory authorities);
 - (iii) Conducting financial crime risk management activity, including verifying the identification of the Credit Party and related individuals, screening, monitoring and investigation activity, and sharing information within HSBC Group, including in other jurisdictions, for these purposes;
 - (iv) As requested or required by judicial, administrative, public or regulatory bodies, as well as governments, tax, revenue and monetary authorities, examiners, monitors, securities or futures exchanges, courts, central banks or law enforcement bodies with jurisdiction over any HSBC Group member.
- (c) The Bank may collect, transfer and disclose information for these purposes from and to members of the HSBC Group, sub-contractors, agents and service providers within Canada and in other jurisdictions.
- (d) Before providing the Bank with personal information respecting any connected individual, the Credit Party will ensure that it has provided all necessary disclosures to, and obtained any necessary consents from, such individuals in connection with the collection, use and disclosure of such information by the Bank.

XV. <u>Time of Essence</u>

Time shall be of the essence of this Facility Letter.

XVI. Indemnity

The Borrower agrees to keep the Bank and its officers, directors, employees, solicitors, agents and affiliates indemnified against any claim for any damages, losses, costs or expenses (including, without limitation, legal costs on a solicitor and his own client basis) incurred or suffered by any of them in relation to this Facility Letter or as a consequence (direct or indirect) of any breach by the Borrower of this Facility Letter, or as a result of an assessment made by any tax authority in respect of any payment made by the Bank to any third party including,

without limitation, to the beneficiary of any LG, unless such damage, loss, cost or expense was incurred solely as a direct result of the Bank's gross negligence or wilful misconduct.

XVII. Governing Law

This Facility Letter and, unless otherwise specified therein, all Loan Documents or instruments delivered in accordance with this Facility Letter shall be governed by and interpreted in accordance with the laws of the Province of Ontario (the "Governing Jurisdiction") and the federal laws of Canada applicable therein. Each Credit Party irrevocably submits to the non-exclusive jurisdiction of the courts in the Governing Jurisdiction and waives, to the fullest extent permitted by applicable law any defence based on convenient forum.

XVIII. Financial Crimes and Sanctions Laws Acknowledgements and Indemnification

Each Credit Party acknowledges and agrees that:

- (a) the Bank, HSBC Holdings plc, its affiliates and subsidiaries (collectively, "**HSBC Group**"), and HSBC Group's service providers are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion;
- the Bank may take, and may instruct other members of the HSBC Group to take, to the extent it or such member is legally permitted to do so under the laws of its jurisdiction, any action (a "Compliance Action") that the Bank or any such other member, in its sole discretion, considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include but is not limited to the interception and investigation of any payment, communication or instruction or other information; the making of further enquiries as to whether a Person or entity is subject to any Sanctions; and the refusal to issue, pay, renew, extend or transfer any DC or LG or to process any transaction or instruction that, in the Bank's discretion, may not conform with Sanctions. The Bank will use reasonable commercial efforts to notify the Borrower of the existence of such circumstances as soon as is reasonably practicable, to the extent permitted by law;
- (c) neither the Bank nor any member of HSBC Group will be liable for any loss, cost, damage, claim, action, suit, liabilities, suffered or incurred by the Borrowers, any Guarantor or other Person, or for any delay or any failure of the Bank to perform its duties under this Facility Letter arising out of or relating to any Compliance Action taken by or on behalf of the Bank, its service providers, or any HSBC Group member in its sole discretion;
- (d) the Bank may, in its sole discretion, refuse to issue, pay, renew, extend or transfer any DC or LG in connection with or relating to any countries, governments, entities or other Persons that are subject to Sanctions or limitations imposed by domestic or foreign laws, or by the Bank or any member of the HSBC Group, and that the Bank has the right, without prior notice to any Credit Party, to reject, refuse to pay, any demand, or not process any transaction or instruction that does not conform with any such Sanctions, or limitations; and
- (e) The Borrower will indemnify the Bank for all losses, costs, damages, claims, actions, suits, demands and liabilities suffered or incurred by or brought against the Bank arising out of or relating to any Compliance Action, unless such losses, costs, damages, claims, actions, suits, demands and liabilities are determined by a final, non-appealable decision of a court of competent jurisdiction to have been caused solely and directly by the gross negligence or wilful misconduct of the Bank.

XIX. Electronic Communications and Electronic Signatures

(a) The Borrower hereby authorizes the Bank to accept Electronic Communications and Electronic Signatures from the Borrower in relation to this Facility Letter and the other Loan Documents and hereby consents to receiving commercial electronic messages from or on behalf of the Bank and any

agreement, instruction, document, information, disclosure, notice or other form of communication from the Bank by Electronic Communication.

- (b) The Borrower agrees that any Electronic Communication, including any Electronic Signature associated with such Electronic Communication, which the Bank receives from the Borrower or in the Borrower's name, or which appears to be from the Borrower or in its name, will be considered to be duly authorized and binding upon the Borrower (whether or not that Electronic Communication was actually from or authorized by the Borrower) and the Bank will be authorized to rely and act upon any such Electronic Communication, including any Electronic Signature associated with the Electronic Communication, even if it differs in any way from any previous Electronic Communication sent to the Bank.
- (c) The Borrower acknowledges and agrees that the Bank's methods of storing, maintaining and retrieving any Electronic Communication, including any Electronic Signatures associated with such Electronic Communication, and the Bank's data systems, maintain the integrity of the Electronic Communication. If, for any reason, an Electronic Communication stored in the Bank's data systems differ from the Borrower's, the Borrower acknowledges and agrees that the version stored on the Bank's data systems shall prevail over any inconsistency. In this regard, the Borrower acknowledges and agrees that Electronic Communications maintained by the Bank will be admissible in any legal or other proceedings as conclusive evidence as to the contents of those Electronic Communications in the same manner as an original paper document, and that further proof of our records system integrity is not required (the integrity of the Bank's records system is hereby acknowledged and agreed by the Borrower) and the Borrower hereby waives any right to object to the introduction of any such Electronic Communications into evidence. To the fullest extent permitted by applicable law, the Borrower waives any defence, or waiver of liability, based on the absence of a written document in paper format, signed manually. The Borrower will keep its own records of all Electronic Communications for a period of 7 years (unless otherwise stipulated by local regulation) and will produce them to the Bank upon request.
- (d) At the Bank's discretion, it may require: (i) Electronic Communications be delivered using technology acceptable to the Bank including the use of a secure Electronic Signature, and (ii) any agreement, instruction, document, information, disclosure, notice or other form of communication from the Borrower to be manually signed and/or delivered to the Bank in paper format. If the Bank requires that the Borrower acknowledge its agreement to this Facility Letter or any other Loan Document by clicking the appropriate button, the Borrower will follow any instructions that the Bank provides to indicate the Borrower's agreement (which may include typing the Borrower's name and/or clicking "I Agree" or similar button).
- (e) When the Borrower's handwritten or Electronic Signature is delivered by facsimile, email or other electronic or digital transmission, such transmission shall constitute delivery of an executed copy of this Facility Letter or other relevant Loan Document. If the Borrower uses an Electronic Signature to indicate its agreement, the Borrower shall ensure that its Electronic Signature is attached to or associated with the relevant Electronic Communication.

XX. Further Assurances

Each Credit Party shall, at its cost and expense, upon request of the Bank, duly execute and deliver, or cause to be duly executed and delivered, to the Bank all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Bank to carry out more effectually the provisions and purposes of this Facility Letter or any of the other Loan Documents.

XXI. Conflict

In the event of any conflict between the terms of this Schedule and the corresponding terms of this Facility Letter to which this Schedule is attached, the terms of this Facility Letter shall prevail to the extent necessary to resolve such conflict. In the event of a conflict between the terms of this Facility Letter and the corresponding terms of any of the other Loan Documents, the terms of this Facility Letter shall prevail to the extent of such conflict.

XXII. Confidentiality

Each Credit Party acknowledges that the contents of this Facility Letter are confidential and shall not be disclosed by such Credit Party other than to its solicitors (or any other person bound by a duty of confidentiality) except with the prior written consent of the Bank.



March 26, 2024

Shaw-Almex Industries Limited 323 Glover Road Stoney Creek, ON L8E 5M2

PRIVATE & CONFIDENTIAL

Attention: Tim Shaw

Dear Sir:

Re: First Amendment to Sixth Amended and Restated Facility Letter

We refer to the amended and restated facility letter (including the schedules and appendices thereto) dated January 27, 2023, as amended from that date to the date hereof (as further amended by this agreement, the "Facility Letter") between HSBC Bank Canada (the "Bank") and Shaw-Almex Industries Limited (the "Borrower"). On the basis of the financial information and other information, representations, warranties and documents provided to the Bank, the Bank has agreed, at the request of the Borrower, to continue to provide the Credit Facilities and to amend certain terms and conditions of the Facility Letter all as more particularly set out below. This agreement does not amend or supersede any other agreements between the parties respecting other products and services provided by the Bank unless specifically stated otherwise.

1. Amendments to the Facility Letter

As of the date hereof, the following terms of the Facility Letter shall be amended as follows:

1.1 Section 1.1 of the Facility Letter is hereby deleted in its entirety and replaced as follows:

1.1 Amount

Demand operating revolving loan facility ("**Operating Loan Facility**") available at the Bank's discretion by way of any of the types of advances and other credit described in section 1.3 (below) up to but not exceeding in aggregate (for all such types of advances and other credit) CAD <u>15,500,000</u>, subject to the Margin Requirement, if any.

1.2 Section 1.3 of the Facility Letter is hereby deleted in its entirety and replaced as follows:

1.3 Availability

Loan advances and other credit under the Operating Loan Facility ("**Operating Loans")** are available as follows:

CAD account overdraft up to an aggregate principal amount not exceeding CAD <u>15,500,000</u> ("CAD Overdraft Loans"); and

USD account overdraft up to an aggregate principal amount not exceeding the US Dollar Equivalent of CAD <u>15,500,000</u> ("USD Overdraft Loans").

The Borrower shall ensure that the aggregate Canadian Dollar Equivalent of all amounts advanced and credits outstanding under the Operating Loan Facility shall at no time exceed the amount set out in section 1.1 above.

1.3 Section 2.2 of the Facility Letter is hereby deleted in its entirety and replaced as follows:

2.2 Amount

LG Facility available up to permitted maximum of CAD <u>500,000</u> subject to the Margin Requirement, if any (the "LG Facility Limit").

The Borrower shall ensure that the aggregate Canadian Dollar Equivalent of all amounts advanced and credits outstanding (including the face amounts of any outstanding issued LGs) under the LG Facility shall at no time exceed the LG Facility Limit.

- 1.4 Section 4.1 of the Facility Letter is hereby amended by:
 - 1.4.1 deleting the percentage "50%" from subparagraph (x) and adding replacing it with the percentage "45%".
 - 1.4.2 adding a new subparagraph (cc), and renumbering the subsequent paragraphs accordingly, as follows:
 - (cc) personal guarantee and postponement of claims (governed by Ontario law) from Tim Shaw of indebtedness of the Borrower to the Bank limited to CAD 1,500,000 plus interest and charges;
 - 1.4.3 deleting the subtitle "<u>To Be Obtained/Amended</u>" after subparagraph (u) and adding the subtitle "<u>To Be Obtained/Amended</u>" below subparagraph (cc).

2. Interpretation

All capitalized terms herein, unless otherwise expressly defined herein, shall have the meaning ascribed to them in the Facility Letter.

The Facility Letter and the Loan Documents shall henceforth be read and construed in conjunction with this agreement; and the Facility Letter and this agreement shall henceforth have effect as far as practicable as though the provisions thereof were contained in one instrument.

All the terms, conditions and provisions of the Facility Letter not otherwise amended by this agreement shall remain unchanged and have full force and effect.

3. Continuation of Facility Letter

Each Credit Party agrees that this agreement constitutes an amendment to the Facility Letter and that accordingly, in this agreement the term "Facility Letter" means the Facility Letter as amended by this agreement.

4. Conditions Precedent

This Agreement shall not become effective until each of the following conditions precedent are satisfied or waived by the Bank, in its sole discretion, acting reasonably:

(a) this Agreement shall have been duly executed and delivered by the Borrower and the Guarantors;

- (b) the Bank shall have received a duly executed copy of the personal guarantee and postponement of claims (governed by Ontario law) from Tim Shaw of indebtedness of the Borrower to the Bank limited to CAD 1,500,000 plus interest and charges;
- (c) the Bank shall have received written approval, in form and substance satisfactory to the Bank, from Export Development Canada to the terms of this Agreement;
- (d) the Bank shall have received an amendment fee in the amount of \$10,000 and the Borrower authorizes the Bank to debit its account in the amount required to satisfy the amendment fee;
- (e) no event shall have occurred and be continuing which constitutes a default or an event of default:
- (f) the Borrower shall pay on demand all of the reasonable out-of-pocket costs and expenses of the Bank (including, without limitation, reasonable legal fees and disbursements) of the Bank arising in connection with this Agreement; and
- (g) the Bank shall have received all such other certificates, documents, opinions, and information that it reasonably requests.

5. Representations and Warranties

Each Credit Party confirms that the representations and warranties made by it in the Facility Letter remain true and accurate as of the date hereof.

6. General Provisions

6.1 Governing Law

This agreement is governed by the laws of the Governing Jurisdiction.

6.2 Language Choice

The parties hereto have requested that this agreement and any document relating thereto be drafted in English. Les parties aux présentes ont exigé que cette convention et tout document y afférent soient rédigés en anglais.

7. **Novation**

It is expressly understood and agreed between the parties hereto that this agreement does not constitute a novation of the terms and conditions of the Credit Facilities, the Facility Letter or the other Loan Documents, the Bank hereby reserving all of its rights and recourses under the Credit Facilities, the Facility Letter and the other Loan Documents. Nothing set forth in this agreement shall, except as specifically set forth herein, be construed as altering the obligations of the Borrower and the Guarantors under the Credit Facilities, the Facility Letter and the other Loan Documents. Nothing herein shall in any way release the Borrower and the Guarantors from their obligations to the Bank under the Credit Facilities, the Facility Letter and the other Loan Documents.

8. Acceptance

Kindly confirm acceptance and agreement to the terms and conditions of this agreement by the Borrower signing, dating and delivering a copy of this letter, also acknowledged by the Guarantors to the Bank by 5:00 p.m. local time on March 28, 2024.

Yours truly,

HSBC BANK CANADA

Brian Pettit

Assistant Vice President

Special Credit

Connie Chow

Manager

Special Credit

The undersigned hereby acknowledge(s) and agree(s) to the terms and conditions of this Amendment as of:

- Where signed fully or partly using Electronic Signatures, the date indicated in connection with the (a) Electronic Signature of the last or final signatory;
- Where signed solely by manual signatures, the following date: $\underline{Mar}26,2024$ (b)

BORROWER:

Shaw-Almex Industries Limited

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

GUARANTORS:

Almex Peru S.A.C.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Almex de Fusion Mexico S. de R.L. de C.V.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Pacific Pty Ltd.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Africa Propriety Ltd.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

PT. Shaw Almex Indonesia

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Deutschland GmbH

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Almex Holdings, Inc.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Fusion, LLC

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Europe B.V.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Zambia Limited

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

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Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw Almex Chile SpA

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Shaw-Almex Brazil Holdings Inc.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Almex Industria do Brasil Limitada

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Fonmar Group, S.L.

Per:

Authorized Signatory

Title: CEO

Name: Timothy Shaw

Signature of Witness

John Borch

Name of Witness

John Borch - AVP SCU

Address of Witness

RESTRICTED

Tim Shaw

THIS IS EXHIBIT "J" REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISŠIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

Borrower/Guarantor	RBC Facility Letter	BDC Letter	BDC Capital Letter
Shaw-Almex Industries Limited	Borrower	Borrower	Borrower
Shaw-Almex Fusion, LLC	Joint and several	For the full amount outstanding under the Loan 224175-01	Joint and several
Almex Peru S.A.C.	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
Almex Fusion de Mexico, S de R.L. de C.V.	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
Shaw Almex Pacific Pty. Ltd.	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
PT. Shaw Almex Indonesia	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
Shaw Almex Deutschand GmbH	Joint and several	-	-
Almex Holdings, Inc.	Joint and several	-	-
Shaw Almex Europe B.V.	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
Shaw Almex Zambia Limited	Joint and several	-	-
Shaw Almex Mine Equip. (Tianjin) Co. Ltd.	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
Shaw Almex Chilie SpA.	Joint and several	For the full amount outstanding under Loan 224175-01	Joint and several
Shaw-Almex Brazil Holdings Inc.	Joint and several	-	-

Almex Industria do Brasil Limitada	Joint and several	-	-
Almex Panama, S.A.	-	-	-
Fonmar Group S.L.	Joint and several	For the full amount outstanding under Loan 224175-01	-
Rampart Detection Systems Ltd.	-	-	-
Shaw Almex Africa (Pty) Ltd.	Joint and several	For the full amount outstanding under Loan 224175-01	-

THIS IS **EXHIBIT "K"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

1013579-E (04-2009)

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S

This General Security Agreement made as of the <u>3</u> day of November, 2012.

Between:

SHAW-ALMEX INDUSTRIES LIMITED

17 Shaw Almex Drive Parry Sound, ON P2A 2X4

(hereinafter called the "Debtor")

And:

HSBC BANK CANADA

271 Cornwall Road, Unit A102 Oakville, ON L6J 7Z5

(hereinafter called the "Bank")

The Debtor hereby enters into this General Security Agreement with the Bank for valuable consideration and as security for the repayment and discharge of all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Bank, whether as principal or surety, together with all expenses (including legal fees on a substantial indemnity basis) incurred by the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, obligations or liabilities and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are herein collectively called the 'Indebtedness').

A. Grant of Security Interests

- 1. The Debtor hereby grants to the Bank, by way of mortgage, charge, assignment and transfer, a security interest (the 'Security Interest') in the undertaking of the Debtor and in all Personal Property including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Investment Property now or hereafter owned or acquired by or on behalf of the Debtor and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called the 'Collateral') including without limitation, all of the following now or hereafter owned or acquired by or on behalf of the Debtor:
 - (i) all Inventory of whatever kind and wherever situate;
 - (ii) all Equipment of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights and other intellectual property;
 - (vi) all monies other than trust monies lawfully belonging to others; and
 - (vii) all property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind.
- 2. The Security Interest hereby created shall not extend or attach to (i) any personal property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, oral or written or agreement therefor, now held or hereafter acquired by the Debtor, provided that upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose of the same to any person acquiring such term. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the PPSA.

B. Attachment

3. The Debtor warrants and acknowledges that the Debtor and the Bank intend the Security Interest in existing Collateral to attach upon the execution of this General Security Agreement; that value has been given; that the Debtor has rights in such existing

Collateral; and that the Debtor and the Bank intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in the said after acquired Collateral.

C. Representations and Warranties of Debtor

- 4. The Debtor hereby represents and warrants to the Bank that:
 - (a) the Debtor has or expects hereafter to have assets at the location(s) set out in Schedule 'A';
 - (b) the Collateral is primarily situate or located at the location(s) set out in Schedule 'A' on the date hereof but may from time to time be located at other premises of the Debtor; may also be located at other places while in transit to and from such locations and premises; and may from time to time be situate or located at any other place when on lease or consignment to any lessee or consignee from the Debtor; and
 - (c) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (collectively hereinafter called 'Encumbrances'), save for the Security Interest and those Encumbrances set out in Schedule 'B'.

D. Covenants and Agreements of Debtor

- 5. The Debtor hereby covenants and agrees with the Bank that until all of the Indebtedness is paid in full:
 - (a) the Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise, and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Bank and forthwith pay over the same to the Bank upon request; provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of business and for the purpose of carrying on the same;
 - (b) the Debtor shall not without the prior written consent of the Bank create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Bank;
 - (c) the Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and reasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. In the event that Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Bank may make such payments to be repayable by the Debtor on demand and any such payments made by the Bank shall be secured hereby;
 - (d) the Debtor shall keep the Collateral in good condition and repair according to the nature and description thereof, and the Bank may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and secured hereby and the Bank may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and secured hereby;
 - (e) the Debtor shall duly pay all taxes, rates, levies, assessments of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable; and
 - (f) the Debtor agrees that the Bank may, at any time, whether before or after a default under this General Security Agreement, notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Bank, take control of any Proceeds of Collateral and may hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness.
- 6. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Bank may reasonably require for the better granting, mortgaging, charging, assigning and transferring unto the Bank the property and assets hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, transfer or subject to the Security Interest in favour of the Bank for the better accomplishing and effectuating of this General Security Agreement and the provisions contained herein and each and every officer of the Bank is irrevocably appointed attorney to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
- 7. The Debtor shall permit the Bank at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.
- 8. The Debtor acknowledges and agrees that, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interest granted hereby:

- (i) shall extend and attach to 'Collateral' (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation;
- (ii) shall secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Bank at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Bank thereafter arising.

E. Default

- 9. The Debtor shall be in default under this General Security Agreement upon the occurrence of any one of the following events:
 - (a) the nonpayment by the Debtor, when due, whether by acceleration or otherwise, of any of the Indebtedness;
 - (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
 - (c) the failure of the Debtor to observe or perform any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not;
 - (d) an execution or any other process of the Court becomes enforceable against the Debtor or a distress or an analogous process is levied upon the property of the Debtor or any part thereof;
 - (e) the Debtor becomes insolvent, commits an act of bankruptcy, makes an assignment in bankruptcy or a bulk sale of its assets, any proceeding for relief as a debtor or liquidation, re-assignment or winding-up is commenced with respect to the Debtor or a bankruptcy petition is filed or presented against the Debtor and is not bona fide opposed by the Debtor;
 - (f) the Debtor ceases to carry on business; or
 - (g) the Debtor defaults in the observance or performance of any provision relating to indebtedness of the Debtor to any creditor other than the Bank and thereby enables such creditor to demand payment of such indebtedness.
- 10. The Bank may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Bank to be observed or performed by the Debtor; provided that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

F. Remedies of the Bank

- 11.(a) Upon any default under this General Security Agreement, the Bank may declare any or all of the Indebtedness to be immediately due and payable and the Bank may proceed to realize the security hereby constituted and to enforce its rights by entry or by the appointment by instrument in writing of a receiver or receivers of all or any part of the Collateral and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor.
 - (b) Any such receiver or receivers so appointed shall have power:
 - (i) to take possession of the Collateral or any part thereof and to carry on the business of the Debtor;
 - (ii) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
 - (iii) to further charge the Collateral in priority to the Security Interest as security for money so borrowed; and
 - (iv) to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine.
 - In exercising any powers any such receiver or receivers shall be deemed to act as agent or agents for the Debtor and the Bank shall not be responsible for the actions of such agent or agents.
 - (c) In addition, the Bank may enter upon and lease or sell the whole or any part or parts of the Collateral and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken such possession of such Collateral.
 - (d) No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, and any one or more of such remedies may from time to time be exercised independently or in combination.
 - (e) The term 'receiver' as used in this General Security Agreement includes a receiver and manager.

G. Rights of the Bank

12. All payments made in respect of the Indebtedness and money realized from any securities held therefor may be applied on such part or parts of the Indebtedness as the Bank may see fit and the Bank shall at all times and from time to time have the right to change any appropriation of any money received by it and to re-apply the same on any other part or parts of the Indebtedness as the Bank may see fit, notwithstanding any previous application by whomsoever made.

- 13. The Debtor grants to the Bank the right to set off against any and all accounts, credits or balances maintained by it with the Bank, the aggregate amount of any of the Indebtedness when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
- 14. The Bank, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other persons and securities as the Bank may see fit.
- 15. The Bank may assign, transfer and deliver to any transferee any of the Indebtedness or any security or any documents or instruments held by the Bank in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Bank shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Bank under such security, documents or instruments but the Bank shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Bank.

H. Miscellaneous

- 16. This General Security Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Bank or existing at law in equity or by statute.
- 17. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Bank.
- 18. This General Security Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Bank and its successors and assigns.
- 19. In construing this General Security Agreement, terms herein shall have the same meaning as defined in the PPSA as hereinafter defined, unless the context otherwise requires. Words importing gender shall include all genders. Words importing the singular number shall include the plural and vice versa.
- 20. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 21. The headings in this General Security Agreement are included herein for convenience of reference only and shall not constitute a part of this General Security Agreement for any other purpose.
- 22. Any notice or statement referred to herein may be delivered, sent by facsimile machine or providing that postal service throughout Canada is fully operative, may be mailed by ordinary prepaid mail to the Debtor at his last address known to the Bank and the Debtor shall be deemed to have received such notice or statement on the day of delivery, if delivered, one business day after transmission and confirmation received if sent by facsimile machine and three business days after mailing, if mailed.
- 23. Where any provision or remedy contained or referred to in this General Security Agreement is prohibited, modified or altered by the laws of any province or territory of Canada which governs that aspect of this General Security Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by law.
- 24. This General Security Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may be in effect from time to time including, where applicable, the Personal Property Security Act of that Province (as amended or substituted, the 'PPSA'). For the purpose of legal proceedings this General Security Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this General Security Agreement and the Debtor hereby irrevocably and unconditionally submits to

the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at this election against the Debtor in the Courts of any other Province, country or jurisdiction.

25. The Debtor acknowledges having received a copy of this General Security Agreement.

This General Security Agreement has been duly executed by the Debtor on the 30 day of November, 2012.

SHAW-ALMEX INDUSTRIES LIMITED

Per:

Name: Timothy 9. Shaw

Title: President

I have authority to bind the Corporation

Locations of Collateral:

17 Shaw Almex Drive, Parry Sound, Ontario5055 Benson Drive, Burlington, Ontario

Encumbrances Affecting Collateral:

Nil

THIS IS **EXHIBIT "L"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

HSBC Bank Canada GENERAL SECURITY AGREEMENT



This General Security Agreement made as of the 13th day of December, 2012.

Between:

SHAW ALMEX FUSION, LLC

5051 Snapfinger Woods Drive Decatur, DeKalb County, GA 30035

(hereinafter called the "Debtor")

and:

HSBC BANK CANADA

271 Cornwall Road, Unit A102 Oakville, ON L6J 7Z5

(hereinafter called the "Bank")

The Debtor hereby enters into this General Security Agreement with the Bank for valuable consideration and as security for the repayment and discharge of all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Bank, whether as principal or surety, together with all expenses (including legal fees and costs) incurred by the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, obligations or liabilities and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are herein collectively called the 'Indebtedness').

A. Grant of Security Interests

- 1. The Debtor hereby grants to the Bank, by way of mortgage, charge, assignment and transfer, a security interest (the 'Security Interest') in the undertaking of the Debtor and in all Personal Property of Debtor including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Deposit Accounts, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Investment Property now or hereafter owned or acquired by or on behalf of the Debtor and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called the 'Collateral') including without limitation, all of the following, wherever located, now or hereafter owned by Debtor:
 - (i) all Inventory of whatever kind and wherever situate;
 - (ii) all Equipment of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or Instruments or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights and other intellectual property and General Intangibles;
 - (yi) all monies other than trust monies lawfully belonging to others; and
 - (vii) all property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind.
- 2. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the Uniform Commercial Code of the State of Delaware (the "UCC").

B. Attachment

3. The Debtor warrants and acknowledges that the Debtor and the Bank intend the Security Interest in existing Collateral to attach upon the execution of this General Security Agreement; that value has been given; that the Debtor has rights in such existing Collateral; and that the Debtor and the Bank intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in the said after acquired Collateral.

C. Representations and Warranties of Debtor

- 4. The Debtor hereby represents and warrants to the Bank that:
 - (a) the Debtor has or expects hereafter to have assets at the location(s) set out in Schedule 'A';
 - (b) the Collateral is primarily situate or located at the location(s) set out in Schedule 'A' on the date hereof but may from time to time be located at other premises of the Debtor; may also be located at other places while in transit to and from such locations and premises; and may from time to time be situate or located at any other place when on lease or consignment to any lessee or consignee from the Debtor; and
 - (c) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (collectively hereinafter called 'Encumbrances'), save for the Security Interest and those Encumbrances set out in Schedule 'B' and Debtor has the unconditional authority to grant the Security Interest to Bank.
 - (d) Debtor is duly organized, validly existing and in good standing under the laws of the state in which it was incorporated and is duly licensed or qualified to do business and in good standing in every state in which the nature of its business or ownership of its property requires such licensing or qualification.
 - (e) The execution, delivery, and performance of this General Security Agreement and the related Guarantee of even date herewith by and between Debtor and Bank (collectively, the "Transaction Documents") are within Debtor's corporate powers, have been duly authorized by all necessary and appropriate corporate and shareholder action, and are not in contravention of any law or the terms of Debtor's articles or certificate of incorporation or by-laws or any amendment thereto, or of any indenture, agreement, undertaking, or other document to which Debtor is a party or by which Debtor or any of Debtor's property is bound or affected.
 - (f) The Transaction Documents constitute the legal, valid, and binding obligations of Debtor and any third parties thereto, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy and insolvency laws and laws affecting creditors' rights generally.
 - (g) No consent, license, approval, or authorization of, or registration, declaration, or filing with, any court, governmental body or authority, or other person or entity is required in connection with the valid execution, delivery, or performance of the Transaction Documents or for the conduct of Debtor's business as now conducted.
 - (h) Except as disclosed in writing by Debtor to Bank: (a) all federal and other tax returns required to be filed by Debtor have been filed, and all taxes required by such returns have been paid; and (b) Debtor has not received any notice from the Internal Revenue Service or any other taxing authority of any jurisdiction with regard to unpaid taxes or assessments.
 - (i) Except as disclosed in writing by or on behalf of Debtor to Bank, there are no actions, suits, proceedings, or investigations pending or, to the knowledge of Debtor, threatened against Debtor which, if adversely determined, would, in any case or in the aggregate, materially adversely affect the property, assets, financial condition, or business of Debtor or materially impair the right or ability of Debtor to carry on its operations substantially as conducted on the date of this General Security Agreement.
 - (j) Debtor is in compliance with all applicable laws, rules, regulations, and other legal requirements with respect to its respective business and the use, maintenance, and operations of the real and personal property owned or leased by it in the conduct of its respective business.
 - (k) Each franchise, grant, approval, authorization, license, permit, easement, consent, certificate, and order of and registration, declaration, and filing with, any court, governmental body or authority, or other person or entity required for or in connection with the conduct of Debtor's business, as now conducted is in full force and effect.
 - (l) No Deposit Account is used primarily for personal, family or household purposes.

D. Covenants and Agreements of Debtor

- 5. The Debtor hereby covenants and agrees with the Bank that until all of the Indebtedness is paid in full:
 - (a) the Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise, and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Bank and forthwith pay over the same to the Bank upon request; provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of business and for the purpose of carrying on the same;
 - (b) the Debtor shall not without the prior written consent of the Bank create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Bank and Debtor will defend the Collateral against the claims and demands of all other parties including, without limitation, defenses, setoffs, claims and counterclaims asserted by any obligor against Debtor and/or Bank;
 - (c) the Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and

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written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and reasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. In the event that Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Bank may make such payments to be repayable by the Debtor on demand and any such payments made by the Bank shall be secured hereby;

- (d) the Debtor shall keep the Collateral in good condition and repair according to the nature and description thereof, and the Bank may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and secured hereby and the Bank may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and secured hereby;
- (e) the Debtor shall duly pay all taxes, rates, levies, assessments of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) the Debtor agrees that the Bank may, at any time, whether before or after a default under this General Security Agreement, notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Bank, take control of any Proceeds of Collateral and may hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness; and
- (g) Without ten (10) days prior written notice to Bank, Debtor will not (i) change its business addresses or chief executive office, or (ii) make any change in Debtor's name, state of formation, identity or organizational status.
- 6. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Bank may reasonably require for the better granting, mortgaging, charging, assigning and transferring unto the Bank the property and assets hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, transfer or subject to the Security Interest in favour of the Bank for the better accomplishing and effectuating of this General Security Agreement and the provisions contained herein and each and every officer, agent or legal representative of the Bank is irrevocably appointed attorney to execute in the name and on behalf of the Debtor any document or instrument for the said purposes including, but not limited to, filing financing statements relating to the Collateral without Debtor's signature or other authorization by Debtor thereon or to execute and file any such financing statement in Debtor's name, all as Bank may deem appropriate to perfect and continue the Security Interest.
- 7. The Debtor shall permit the Bank at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.
- 8. The Debtor acknowledges and agrees that, in the event it merges with any other corporation or corporations or limited liability company, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the merging corporations or limited liability companies and to the merged corporation or limited liability company, such that the Security Interest granted hereby:
 - (a) shall extend and attach to 'Collateral' (as that term is herein defined) owned by each of the merging corporations or limited liability companies and the merged corporation or limited liability company at the time of merger and to any 'Collateral' thereafter owned or acquired by the merged corporation;
 - (b) shall secure the 'Indebtedness' (as that term is herein defined) of each of the merging corporations or limited liability companies and the merged corporation or limited liability company to the Bank at the time of merger and any 'Indebtedness' of the merged corporation or limited liability company to the Bank thereafter arising.
- 9. The following provisions shall apply with respect to any Collateral that consists of Investment Property, Deposit Accounts, Letter-Of-Credit Rights or Electronic Chattel Paper.
 - (a) With respect to Collateral consisting of Investment Property, (i) the Debtor authorizes the Bank to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Bank or its nominee may appear of record as the sole owner thereof; provided, that so long as no default has occurred, the Bank shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such Investment Property; and provided further, that after the occurrence of a default, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Bank or its nominee as such record owner, and agrees that no proxy or proxies given by the Bank to the Debtor or its designee as aforesaid shall thereafter be effective; and (ii) promptly after the request of the Bank, the Debtor further agrees to execute such other documents and to

perform such other acts, and to cause any issuer, securities intermediary or commodity intermediary to execute such other documents and to perform such other acts, as may be necessary or appropriate in order to give the Bank "control" of such Investment Property, as defined in Sections 9-106 and 8-106 of the UCC, which "control" shall be in such manner as the Bank shall designate in its sole judgment and discretion, including, without limitation, a written agreement (hereinafter called the "Investment Property Control Agreement") executed by the Debtor, the Bank and any such issuer, securities intermediary or commodity intermediary, which Investment Property Control Agreement shall contain provisions, in addition to such other provisions as the Bank may require in its sole judgment and discretion, to the effect that (y) any such issuer, securities intermediary or commodity intermediary will comply with instructions in the case of an issuer, entitlement orders in the case of a securities intermediary or directions in the case of a commodity intermediary, originated by the Bank with respect to such Investment Property or any part thereof, whether before or after the occurrence of a default, without further consent by the Debtor, and (z) any such issuer, securities intermediary or commodity intermediary will not comply with any such instructions, entitlement orders or directions originated by the Debtor or any other entity or person, except to the extent expressly permitted by the Bank in such Investment Property Control Agreement.

- (b) With respect to Collateral consisting of a Deposit Account, promptly after the request of the Bank, the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any bank with which any such Deposit Account is maintained to execute such other documents and to perform such other acts, as may be necessary or appropriate in order to give the Bank "control" of such Deposit Account, as defined in Section 9-104 of the UCC, which "control" shall be in such manner as the Bank shall designate in its sole judgment and discretion, including, without limitation, a written agreement (hereinafter called the "Deposit Account Control Agreement") executed by the Debtor, the Bank and any such other bank, which Deposit Account Control Agreement shall contain provisions, in addition to such other provisions as the Bank may require in its sole judgment and discretion, to the effect that (i) such bank will comply with instructions originated by the Bank directing disposition of all or any part of the funds in such Deposit Account, whether before or after the occurrence of any default, without further consent by the Debtor, and (ii) such bank will not comply with any such instructions originated by the Debtor or any other entity or person, except to the extent expressly permitted by the Bank in such Deposit Account Control Agreement.
- (c) With respect to Collateral consisting of a Letter-of-Credit Right, promptly after the request of the Bank, the Debtor further agrees to execute such other documents and to perform such other acts, and to cause the issuer or any nominated person under the related letter of credit to execute such other documents and to perform such other acts, as may be necessary or appropriate in order to give the Bank "control" of such Letter-of-Credit Right, as defined in Section 9-107 of the UCC.
- (d) With respect to Collateral consisting of Electronic Chattel Paper, promptly after the request of the Bank, the Debtor further agrees to take all necessary steps as may be necessary or appropriate in order to give the Bank "control" of such Electronic Chattel Paper, as defined in Section 9-105 of the UCC.
- 10. Upon the occurrence of a default, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Bank in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Bank in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Bank may apply the net cash receipts from such income or interest to payment of any of the Indebtedness, provided that the Bank shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Indebtedness.

E. Default

- 9. The Debtor shall be in default under this General Security Agreement upon the occurrence of any one of the following events:
 - (a) the nonpayment by the Debtor, when due, whether by acceleration or otherwise, of any of the Indebtedness;
 - (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
 - (c) the failure of the Debtor to observe or perform any covenant, undertaking, obligation or agreement heretofore or hereafter given to the Bank, whether contained herein or not;
 - (d) an execution or any other process of the Court becomes enforceable against the Debtor or a distress or an analogous process is levied upon the Collateral of the Debtor or any part thereof;
 - (e) the Debtor becomes insolvent, commits an act of bankruptcy, makes a general assignment with or for the benefit of its creditors, makes an assignment in bankruptcy or a bulk sale of its assets, any proceeding for relief as a debtor or liquidation, reassignment or winding-up is commenced with respect to the Debtor or a bankruptcy petition is filed or presented against the Debtor and is not bona fide opposed by the Debtor;
 - (f) the Debtor ceases to carry on business;
 - (g) the Debtor defaults in the observance or performance of any provision relating to indebtedness of the Debtor to any creditor other than the Bank and thereby enables such creditor to demand payment of such indebtedness; or
 - (h) default by Debtor in the performance of any obligation, term or condition of this Agreement;

10. The Bank may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Bank to be observed or performed by the Debtor; provided that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

F. Remedies of the Bank

- 11.(a) Upon the occurrence and continuation of any default under this General Security Agreement, Bank's rights and remedies with respect to the Collateral shall be those of a secured party under the UCC and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Bank. Without in any way limiting the foregoing, upon any default under this General Security Agreement, the Bank may at any time and from time to time, with or without judicial process, peaceably enter upon any premises in which any Collateral may be located and, without resistance or interference by Debtor, take possession of the Collateral; and/or dispose of any Collateral on any such premises; and/or require Debtor to assemble and make available to Bank at the expense of Debtor any Collateral at any place or time designated by Bank; and/or remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof. Bank may apply the net proceeds actually received from any sale or other disposition to the reasonable expenses of retaking, holding, preparing for sale, selling, leasing and the like, to reasonable outside attorney's fees and all legal, travel and other expenses incurred by Bank in attempting to collect any part of the Indebtedness or enforcing this General Security Agreement; and then to the Indebtedness in such order of application as Bank may elect; and Debtor shall remain liable and will pay to Bank on demand the amount of any deficiency remaining, together with interest thereon at the highest rate then payable on the Indebtedness. Upon any default under this General Security Agreement, the Bank may declare any or all of the Indebtedness to be immediately due and payable without demand or notice of any kind and the Bank may proceed to realize the security hereby constituted and to enforce its rights by entry or by the appointment by instrument in writing of a receiver or receivers of all or any part of the Collateral and such receiver or receivers may be any person or persons, whether an officer or officers or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor.
 - (b) Any such receiver or receivers so appointed shall have power to the extent permitted by applicable law:
 - (i) to take possession of the Collateral or any part thereof and to carry on the business of the Debtor;
 - (ii) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
 - (iii) to further charge the Collateral in priority to the Security Interest as security for money so borrowed; and
 - (iv) to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine.
 - In exercising any powers any such receiver or receivers shall be deemed to act as agent or agents for the Debtor and the Bank shall not be responsible for the actions of such agent or agents.
 - (c) Bank shall have the right to sell, lease or otherwise dispose of the Collateral in one or more parcels at public or private sale or sales upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of Debtor. Debtor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which Debtor now has or may at any time in the future have under any applicable law now existing or hereafter enacted. Bank shall have the right to use Debtor's premises and any materials or rights of Debtor (including any intellectual property rights) without charge for such sales or disposition of the Collateral or the completion of any work in progress for such times as Bank may see fit.
 - (d) No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, and any one or more of such remedies may from time to time be exercised independently or in combination.
 - (e) The term 'receiver' as used in this General Security Agreement includes a receiver and manager.
 - (f) Notice of Sale. Without in any way requiring notice to be given in the following manner, Debtor agrees that any notice by Bank of sale, disposition, or other intended action hereunder, or in connection herewith, whether required by the UCC as in effect in Delaware or otherwise, shall constitute reasonable notice to Debtor if such notice is mailed by regular or certified mail, proper postage prepaid, at least five (5) days prior to such action, to Debtor's address or addresses specified above or to any other address which Debtor has specified in writing to Bank as the address to which notices hereunder shall be given to Debtor.

G. Rights of the Bank

- 12. All payments made in respect of the Indebtedness and money realized from any securities held therefor may be applied on such part or parts of the Indebtedness as the Bank may see fit and the Bank shall at all times and from time to time have the right to change any appropriation of any money received by it and to re-apply the same on any other part or parts of the Indebtedness as the Bank may see fit, notwithstanding any previous application by whomsoever made.
- 13. The Debtor grants to the Bank the right to set off against any and all accounts, credits or balances maintained by it with the Bank, the aggregate amount of any of the Indebtedness when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
- 14. The Bank, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other persons and securities as the Bank may see fit.
- 15. The Bank may assign, transfer and deliver to any transferee any of the Indebtedness or any security or any documents or instruments held by the Bank in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Bank shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Bank under such security, documents or instruments but the Bank shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Bank.
- 16. Upon Debtor's failure to perform any of its covenants, obligations or duties under this General Security Agreement, Bank may, but shall not be obligated to, perform any or all such covenants, obligations or duties and Debtor shall pay an amount equal to the expense thereof to Bank upon demand by Bank, and all such amounts shall become part of the Indebtedness secured hereby.
- 17. Without limiting any other provision of this General Security Agreement: (a) the powers conferred on Bank hereunder are solely to protect its interests and shall not impose any duty to exercise any such powers; and (b) except as may be required by applicable law, Bank shall not have any duty as to any Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral.

H. Indemnification

- 18. If after receipt of any payment of all, or any part of, the Indebtedness, Bank is, for any reason, compelled to surrender such payment to any person or entity because such payment is determined to be void or voidable as a preference, an impermissible setoff, or a diversion of trust funds, or for any other reason, this General Security Agreement shall continue in full force and Debtor shall be liable, and shall indemnify and hold Bank harmless for, the amount of such payment surrendered. The provisions of this Section shall be and remain effective notwithstanding any contrary action which may have been taken by Bank in reliance upon such payment, and any such contrary action so taken shall be without prejudice to Bank's rights under this General Security Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable. The provisions of this Section 18 shall survive the repayment of the Indebtedness termination of this General Security Agreement.
- 19. Debtor agrees to pay, indemnify, and hold Bank harmless from, and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever (including, without limitation, attorneys fees and disbursements in connection with any litigation, investigation, hearing, or other proceeding) with respect, or in any way related, to the existence, execution, delivery, enforcement, performance, and administration of the Transaction Documents (all of the foregoing, collectively, the "Indemnified Liabilities"). The provisions of this Section 19 shall survive repayment of the Indebtedness and termination of this General Security Agreement.

I. Miscellaneous

20. This General Security Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Bank or existing at law in equity or by statute. The Transaction Documents collectedly constitute the entire agreement and understanding between the parties hereto with respect to the transactions contemplated hereby and supersede all prior negotiations, understandings, and agreements between such parties with respect to such transactions.

- 21. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Bank.
- 22. This General Security Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of merger of or any other change in the Debtor and shall enure to the benefit of the Bank and its successors and assigns. The rights and benefits of Bank hereunder shall, if Bank so agrees, inure to any party acquiring any interest in the Indebtedness or any part thereof.
- 23. In construing this General Security Agreement, terms herein shall have the same meaning as defined in the UCC as hereinafter defined, unless the context otherwise requires. Words importing gender shall include all genders. Words importing the singular number shall include the plural and vice versa.
- 24. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 25. The headings in this General Security Agreement are included herein for convenience of reference only and shall not constitute a part of this General Security Agreement for any other purpose.
- 26. Any notice, communication or statement hereunder shall be in writing and may be delivered, sent by facsimile machine or, may be mailed by certified or registered mail, return receipt requested and proper postage affixed, to the Debtor at his last address known to the Bank and the Debtor shall be deemed to have received such notice or statement on the day of delivery, if delivered, one business day after transmission and confirmation received if sent by facsimile machine and three business days after mailing, if mailed.
- 27. No modification, rescission, waiver, release, or amendment of any provision of this General Security Agreement shall be made, except by a written agreement signed by Debtor and a duly authorized officer of Bank.
- 28. THIS GENERAL SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW, AS THE SAME MAY BE IN EFFECT FROM TIME TO TIME INCLUDING, WITHOUT LIMITATION, THE UCC.
- 29. FOR THE PURPOSE OF LEGAL PROCEEDINGS, THIS GENERAL SECURITY AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE PROVINCE OF ONTARIO AND TO BE PERFORMED THERE AND THE COURTS OF THAT PROVINCE OR ANY COURT OF THE STATE OF DELAWARE IN ANY COUNTY THEREIN, OR IN THE DISTRICT COURT OF THE UNITED STATES IN ANY DISTRICT THEREIN, IN WHICH BANK HAS AN OFFICE, SHALL HAVE JURISDICTION OVER ALL DISPUTES WHICH MAY ARISE UNDER THIS GENERAL SECURITY AGREEMENT AND THE DEBTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS, PROVIDED ALWAYS THAT NOTHING HEREIN CONTAINED SHALL PREVENT THE BANK FROM PROCEEDING AT THIS ELECTION AGAINST THE DEBTOR IN THE COURTS OF ANY OTHER PROVINCE, STATE, COUNTRY OR JURISDICTION, AND DEBTOR WAIVES PERSONAL SERVICE OF PROCESS AND AGREES THAT A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN ANY SUCH COURT STATED ABOVE SHALL BE PROPERLY SERVED AND SHALL CONFER PERSONAL JURISDICTION IF SERVED BY REGISTERED OR CERTIFIED MAIL TO DEBTOR AT THE ADDRESS STATED IMMEDIATELY FIRST ABOVE IN THIS GENERAL SECURITY AGREEMENT OR TO THE ADDRESS OF DEBTOR LAST KNOWN TO THE BANK, OR AS OTHERWISE PROVIDED BY THE LAWS OF DELAWARE OR THE UNITED STATES.
- 30. DEBTOR AND BANK HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY DEBTOR OR BANK MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS GENERAL SECURITY AGREEMENT OR THE TRANSACTIONS RELATED THERETO. DEBTOR REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS RIGHT TO JURY TRIAL WAIVER.
- 31. The Debtor acknowledges having received a copy of this General Security Agreement.

07324/31887/400826.1

SCHEDULE 'A'

Locations of Collateral:

5051 Snapfinger Woods Drive, Decatur, DeKalb County, GA 30035

Schedule 'B'

Encumbrances Affecting Collateral:

Nil

THIS IS EXHIBIT "M" REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

HSBC Bank Canada

GENERAL ASSIGNMENT OF BOOK DEBTS

For use in all Provinces except Quebec

- 1012011 (65-2003) **S**
- 1. The undersigned, SHAW-ALMEX INDUSTRIES LIMITED for valuable consideration hereby assigns and transfers to HSBC Bank Canada (herein called the "Bank") all debts, claims, demands, moneys and choses in action, (including without limiting the generality of the foregoing all book debts) now due or accruing or growing due, or hereafter to become due or accruing or growing due, or which may become vested in the undersigned alone or the undersigned jointly with others, whether in connection with the business now carried on by the undersigned, or any future business or otherwise, or any policy or contract of insurance against loss by whatever cause to the real or personal property of the undersigned (herein collectively called the "Debts"), and also books of account, and documents in any way evidencing or relating to, or which may be received as security for or on account of the Debts, and also all judgments and all mortgages or other securities for payment of the same or any of them, and also all other rights and benefits which are now or may hereafter become vested in the undersigned in respect of the Debts.
- 2. If the undersigned is a corporation, no change in the name, objects, capital stock or constitution of the undersigned shall in any way affect the validity or enforceability of this Assignment, either with respect to Debts due or accruing or growing due to the undersigned before or after any such change, and this Assignment shall extend to all Debts of the person or corporation who or which assumes the obligations of the undersigned in whole or in part in whatsoever manner including, without limitation, by amalgamation with the undersigned.
- 3. If the undersigned is a partnership, no change in the name of the undersigned's firm or in the membership of the undersigned's firm through the death, retirement or introduction of one or more partners or otherwise, or by the disposition of the undersigned's business in whole or in part, shall in any way affect the validity or enforceability of this Assignment, either with respect to Debts due or accruing or growing due to the undersigned before or after any such change, and this Assignment shall extend to all Debts of the person or corporation who or which assumes the obligations of the undersigned in whole or in part in whatsoever manner.
- 4. And the undersigned undertakes to furnish to the Bank at any time on demand a list of all the debtors of the undersigned with the amount owing by each and the securities held by the undersigned therefor and to assign and transfer the same to the Bank together with all information which may assist in the collection of the Debts, and the Bank or its authorized agent shall be entitled from time to time to inspect all books and accounts, letters, invoices, papers and documents in any way evidencing or relating to the Debts and to make photocopies at the expense of the undersigned, and for such purposes the Bank shall have access to all premises occupied by the undersigned.
- 5. And the undersigned hereby covenants that none of the Debts have been assigned to or pledged or encumbered in favour of any other person, firm or corporation, and agrees not to make any subsequent assignment of any or all of the Debts without the prior written consent of the Bank thereto.
- The present assignment and transfer shall be a continuing security to the Bank for the payment of all and every present and future indebtedness and liability direct or indirect, absolute or contingent, joint or several, mature or not, of the undersigned to the Bank and any ultimate unpaid balance thereof with interest, and is given in addition to and not in substitution for any similar assignment heretofore given to and still held by the Bank and is taken by the Bank as additional security for the fulfilment of the obligations of the undersigned to the Bank therein, and shall not operate as a merger of any simple contract debt or in any way suspend the fulfilment of, or prejudice or affect the rights, remedies and powers of, the Bank in respect of the said obligations or any securities held by the Bank for the fulfilment thereof. The Bank may, before or after default of the undersigned, notify any debtor of the security and assignment constituted hereby and may also direct such debtors to make all payments with respect to the Debts to the Bank.
- 7. And the undersigned expressly authorizes the Bank to collect, dispose of, enforce or realize the Debts from time to time in such manner and at such times as it may in its discretion deem advisable (but shall not be bound to realize the same unless it sees fit) and to impute or appropriate the proceeds thereof in its absolute discretion on account of such parts of the said indebtedness and liability whether secured or unsecured; and such appropriations or imputations may be changed or varied from time to time at the discretion of the Bank; and the undersigned acknowledges that the operation of the account or accounts relating to loans to or indebtedness of the undersigned will involve extra work on the part of the Bank and agrees to pay the Bank's charges for the keeping of the said account or accounts and for receiving, whether directly or through the undersigned, payments on account of the Debts, and also to pay to the Bank its charges for services in collecting, enforcing or realizing any of the Debts or attempting to do so and sums paid and fees and expenses incurred in connection therewith, including without limiting the foregoing all legal fees incurred by the Bank on a substantial indemnity basis, and authorizes the Bank to add such charges, sums, fees and expenses to the indebtedness of the undersigned and to retain the same out of moneys received by the Bank.
- 8. The Bank may grant extensions, take and give up securities, accept compositions, grant releases and discharges and generally deal with the Debts in its absolute discretion without consent of or notice to the undersigned, and may deal with the undersigned, debtors of the undersigned, sureties and others and with the Debts and other securities as the Bank may see fit without prejudice to the liability of the undersigned or to the Bank's right to hold and realize this security, and the Bank shall not be responsible for any loss or damage which may occur in consequence of the negligence of any officer, agent or solicitor employed in the collection, disposition, realization or enforcement thereof, and the Bank shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Debts or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Bank, the undersigned or any other person, firm or corporation in respect of the same.
- 9. If the amount of any of the Debts be paid to the undersigned or an agent of the undersigned, the undersigned hereby agrees that such amount shall be received in trust for the Bank and the undersigned shall forthwith pay over or cause to be paid over the same to the Bank.

- 10. The undersigned hereby undertakes to do such other things and sign such further instruments as may from time to time be required by the Bank or any officer or solicitor thereof to vest in the Bank the Debts or to collect the same, and hereby constitutes and appoints any branch manager or acting manager of the Bank the true and lawful attorney of the undersigned, irrevocable, with full power of substitution, to do, make and execute all such assignments, deeds, documents, acts, matters and things as the undersigned has agreed herein to do, make and execute or as may be required to give effect to this Assignment or in the exercise of the powers of the Bank hereby conferred, with the right to use the name of the undersigned whenever and wherever the Bank may deem it to be necessary or expedient.
- 11. The security interests created hereby are intended to attach, as to Debts in which the undersigned has an interest, forthwith when the undersigned executes this Assignment, and, as to all Debts in which the undersigned acquires any right or interest after the execution of this Assignment, forthwith when the undersigned acquires such right or interest.
- 12. The undersigned hereby acknowledges receiving a copy of this Assignment.
- 13. In this Assignment, any word importing the singular number shall include the plural, and without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned, and any word importing a person shall include a corporation, partnership and any other entity.
- 14. If this Assignment is executed by more than one party, the liability of each of the undersigned hereunder shall be joint and several with one another.
- 15. The provisions hereof shall enure to the benefit of the successors and assigns of the Bank and shall be binding upon the respective heirs, executors, legatees, trustees, administrators, successors and assigns of the undersigned including any successor by reason of amalgamation or of any other change in the Debtor.
- 16. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 17. This Assignment shall be governed by and construed in accordance with the laws of the Province of Ontario.

Dated this 30 day of November, 2012.

SHAW-ALMEX INDUST HES LIMITED

Name:

Per:

Timothy Title:

I have authority to bind the Corporation

THIS IS **EXHIBIT "N"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

RUN DATE : 2025/04/03 ID: 20250403125648.86

RUN NUMBER: 093

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENOUIRY RESPONSE CERTIFICATE

REPORT : PSSR060 PAGE : 1 2425)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH

: BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY

: 02APR 2025

ENQUIRY NUMBER 20250403125648.86 CONTAINS PAGE(S), 20 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CENTRO LEGAL WORKS INC.-WEB ORDER 29496

303-425 UNIVERSITY AVE TORONTO ON M5G1T6

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÜRETÉS MOBILIÈRES

(crfj6 05/2022)



RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE

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2426)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY 02APR 2025

IC FINANCING STATEMENT / CLAIM FOR LIEN PTIE NUMBER 509732145 00 REGISTERED REGISTRATION PAGE TOTAL MOTOR VEHICLE REGISTRATION NO. OF PAGES SCHEDULE UNDER PERIOD NUMBER 01 001 20241002 1004 1462 4119 PPSA DATE OF BIRTH SURNAND TNITTAL FIRST GIVEN NAME 02 DEBTOR 03 BUSINESS NAME SHAW-ALMEX INDUSTRIES LTD. ONTARTO CORPORATION NO. 04 ADDRESS 323 GLOVER RD STONEY CREEK L8E5M2 DATE OF BIRTH PIRST GIVEN NAME INITTAL SURNAME 05 DEBTOR NAME 06 Busines name ONTARIO CORPORATION NO. 07 ADDRESS SECURED PARTY / THEN CHAIMANT ADDRESS 08 NEWPORT LEASING LTD. 09 2377 FAIRVIEW ST BURLINGTON ON L7R2E3 COLLATERAL CLASSIFICATION

GONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY BOUTPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

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*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY: ***

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REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(cri1fv 05/2022)



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TYPE OF SEARCH BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 3

2427)

CERTIFICATE

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED 02APR 2025 FILE CURRENCY FORM IC FINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 509732154 00 CAUTION PAGE TOTAL MOTOR VEHTCLE REGISTRATION REGISTRATION NUMBER UNDER PERIOD NO. OF PAGES 01 001 20241002 1004 1462 4120 Р PPSA DATE OF BURTH FIRST GIVEN NAME SURNAME 02 DEBTOR 03 MAMÉ SHAW-ALMEX INDUSTRIES LTD. ONTARIO CORPORATION NO: 04 323 GLOVER RD STONEY CREEK ON L8E5M2 DATE OF BIRTH FIRST GIVEN NAME SURNAME 05 DEBTOR 06 NAME ONTARIO CORPORATION NO. 07 98 SECURED PARTY NEWPORT LEASING LTD. TITEN CLAIMAND 09 ADDRESS 2377 FAIRVIEW ST BURLINGTON L7R2E3 ON COLDATERAL CLASSIFICATION CONSUMER CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE X 56000 020CT2025 10 MODELL Media. 1500 SPORT 1c6RR7MT3HS501594 11 12 13 14 COLLATERAL DESCRIPTION 15

BURLINGTON

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

NEWPORT LEASING LTD.

2377 FAIRVIEW ST

ADDRESS

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÜRETES MOBILIÈRES

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RUN NUMBER: 093 RUN DATE: 2025/04/03 TD: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 4

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ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
FILE GURRENCY : 02APR 2025

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 794058615 00 REGISTRATION REGISTERED REGISTRATION NUMBER UNDER PERIOD PAGE TOTAL MOTOR VEHICLE NO. OF PAGES UNDER PERIOD 01 20230606 1518 6005 7494 001 PPSA TIRST GIVEN NAME SURNAME DATE OF BIRTH 02 DEBTOR 03 NAME BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED ADDRESS 323 GLOVER ROAD 04 STONEY CREEK DATE OF BIRTH SURNAME 05 DEBTOR 06 NAME ONTARIO CORPORATION NO. 07 SECURED PARILY /
LITEN CHAIMANII

ADDRESS 98 CWB NATIONAL LEASING INC. 09 1525 BUFFALO PLACE (3157006) WINNIPEG R3T 1L9 COLLATERAL CLASSIFICATION CONSUMER monoconstant MOTOR -VEHIGLEDATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X MATURITY OR MATURITY DATE 10 11 MOTOR 12 VEHICLE 13 ALL SUPPLY AND INSTALL 2" CEILING PANELS AT 10 FEET HIGH FOR THE 36' GENERAL 14 COLLATERAL X 40' PRODUCTION AREA WITH RELATED COMPONENTS OF EVERY NATURE OR KIND 15 DESCRIPTION DESCRIBED IN LEASE SCHEDULE NUMBER 3157006, WHICH LEASE SCHEDULE IS 16 AGENT 17 ADDRESS *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CERTIFIED BY/CERTIFIÉES PAR

V. QUIMOUNDO.

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÜRETÉS MOBILIÈRES

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ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE :

2429)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
FILE CURRENCY : 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN 794058615 00 REGISTERED REGISTRATION MOTOR: VEHICLE REGISTRATION: NO, OF PAGES NUMBER UNDER PERTOD 01 20230606 1518 6005 7494 DATE OF BIRTH PIRST GIVEN NAME SECORMANIC 02 DEBTOR 03 NAME ONTARIO CORPORATION NO. 04DATE OF BIRTH FIRST GIVEN NAME SURNAMB: 05 BUSTNESS NAME 06 MAME ONVARIO CORPORATION NO 07 08 SECURED PARTY THEN CHAIMATH 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER $\mathsf{MOTOR}_{\mathsf{C}}\mathsf{VEHTCLE}$ MATURITY OR MATURITY DATE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 10 MODEL MOTOR 11 12 VEHICLE 13 ATTACHED TO AND FORMS PART OF MASTER LEASE AGREEMENT NUMBER 50385808 Collaperal 14 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, DESCRIPTION 15 16 REGISTERING AGENT ADDRESS *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/

LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

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RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 6

2430)

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TYPE OF SEARCH : BUSINESS DEBTOR SFARCH COMBUCTED ON : SHAW ALMEX INDUSTRIES LIMITED TILE CURRENCY \$ 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN P11111 NUMBER 794058615 00 PAGE TOTAL REGISTERED REGISTRATION REGISTRATION NO. OF PAGES NUMBER UNDER 20230606 1518 6005 7494 01 DATE OF BIRTH FIRST GIVEN NAME 02 03 HMAI BUSINESS NAME ONTARIO CORPORATION NO. 04 DATE OF BIRDS FIRST GIVEN NAME INITIAL SURNAME 05 DEBTOR 06 NAME ONTARIO CORPORATION NO. 07 ADDRESS SECURED PARTY / 08 09 ADDRESS COLLABERAL CLASSIFICATION CONSUMER MOTOR VEHTCLE AMOUNT DATE OF GOODS TAVENFORY EQUIPMENT ACCOUNTS OTHER TACHULED MADURIDY OR MADURITY DATE 10 11 12 VEHICLE GENERAL ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY 13 14 COLLATERAL OR INDIRECTLY THEREFROM. 15 DESCRIPTION 16 AGENT 17 ADDRESS *** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CERTIFIED BY/CERTIFIÉES PAR V. Quintamilla W.

REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÜRETÉS MOBILIÈRES

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REPORT : PSSR060

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PAGE

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY : 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN TILE NUMBER 781317297 00 registered registration PAGE TOTAL REGISTRATION ... NO. OF PAGES PERIOD NUMBER UNDER 01 20220322 1405 1462 1329 PPSA DATE OF BIRTH FIRST GIVEN NAME 02 03 BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO: 323 GLOVER ROAD L8M5M2 04 ADDRESS HAMILTON ON DATE OF BIRTH SURNAME FIRST GIVEN NAME 05 DEBTOR 06 SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 07 ON 18E4G3 3 COMMERCE COURT STONEY CREEK SECURED PARTY 98 TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC. titen chaimair ADDRESS 09 630 - 401 THE WEST MALL TORONTO ONM9C5J5 COLLATERAL CLASSIFICATION CONSUMER MQTQR VEHTCLE AMOUNT DATE OF GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X MATURITY OR MATURITY DATE 10 11 12 VEHICLE 13 MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS, GENERAL 14 Collateral ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER 15 DESCRIPTION EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN REGISTERING PPSA CANADA INC. - (8154) AGENT 17 ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, CONTINUED... 8

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LE REGISTRATEUR
DES SÚRETÉS MOBILIÈRES

(cri1fv 05/2022)



RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

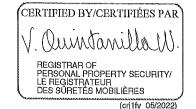
TYPE OF SEARCH BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE REPORT : PSSR060 PAGE : 8

(2432)

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM IC FINANCING STATEMENT / CLAIM FOR LIEN РТЕН NUMBER 781317297 00 MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD 01 20220322 1405 1462 1329 PPSA DATE OF BURDE PIRST GIVEN NAME. SURNAME 02 DEBTOR 03 MAME RUSINESS NAME ONTARIO CORPORATION NO. 04DATE OF BIRTH PIRST GIVEN NAME SURNAME 05 DEBUOR 06 NAME ONTARIO CORPORATION NO. 07 SECURED PARTY / 98 TITEM CTIA INANT address 09 COLLABORAL CLASSIFICATION CONSUMER NO FIXED MOTOR VEHICLE AMOUNT DATE OF GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 YEAR MAKE 11 MOTOR 12 VEHICLE 13 GENERAL WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT 14 COLLATERAL LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY 15 DESCRIPTION REGISTERING PPSA CANADA INC. - (8154) 110 SHEPPARD AVE EAST, SUITE 303 ADDRESS TORONTO M2N6Y8 ON *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** CONTINUED... 9







RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 9

2433)

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
PIGE CURRENCY : 02APR 2025

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN 781317297 00 REGISTERED REGISTRATION CAUPTON PAGE TOTAL MOTOR VEHICLE REGISTRATION SCHEDULE UNDER PERIOD NO. OF PAGES NUMBER 01 003 20220322 1405 1462 1329 PPSA DATE OF BIRTH FIRST GIVEN NAME 02 DEBTOR 03 MAME BUSINESS NAME ONTARTO CORPORATION NO. 04 DATE: OF BIRTH FIRST GIVEN NAME HURNAME::: 05 06 NAME BUSINESS NAME ONTARIO CORPORATION NO 07 ADDRESS 98 SECURED PARTY LITTIN CLAMMANT 09 address COLLATERAL CLASSIFICATION

CONSUMER MOTOR VEHTCLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 YEAR MAKE 11 12 VEHICLE 13 GENERAL SECURITY ACT) COLLATERAL 14 DESCRIPTION 15 16 PPSA CANADA INC. - (8154) AGENT 17 ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ONM2N6Y8 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** CONTINUED... 10

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REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(CI) 11/1 05/2022)





RUN NUMBER: 093 RUN DATE : 2025/04/03 ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

CERTIFICATE

ENOUTRY RESPONSE

PAGE

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2434)

REPORT : PSSR060

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TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 778885839 00 MOTOR VEHICLE REGISTRATION PAGE TOTAL REGISTERED REGISTRATION NO. OF PAGES UNDER PERJOD NUMBER 01 20211208 1502 1590 8347 PPSA DATE OF BIRTH SURNAME PTRET GIVEN NAME 02 DEBTOR 03 MAME BUSTNESS NAME SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 04 323 GLOVER ROAD STONEY CREEK L8E 5M2 DATE OF BIRTH SURMAME 05 DEBTOR 06 MAME ONTARIO CORPORATION NO. 07 SECURED PARTY / 08 BUSINESS DEVELOPMENT BANK OF CANADA 09 ADDRESS 100 CONSILLIUM PLACE, SUITE 308 SCARBOROUGH NO M1H 3E3 COLHATERAL CHASSIFE CARTON ER MOTOR VEHICLE AMOUNT INVENTORY BOUIPMENT ACCOUNTS OWHER INCLUDED X X CONSUMER DATE OF NO FIXED MATURITY DATE 10 11 12 VEHICLE 13 GENERAL 14 COLLATERAL 15 DESCRIPTION CHAITONS LLP (LL/68886) AGENT 17 5000 YONGE STREET, 10TH FLOOR TORONTO M2N 7E9 ON *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** CONTINUED... 11

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ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

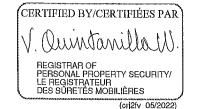
PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

REPORT : PSSR060 PAGE 11 : 2435)

CERTIFICATE

SEARCH CONDUCTED ON Y SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT PAGE TOTAL MOTOR VEHTCHE
NO. OF PAGES SCHEDULE
01 001 REGISTRATION NUMBER TOTAL MOTOR VEHICLE 01 20211208 1735 1590 8408 21 RILE NUMBER 778885839 RECORD: REFERENCED RENEWAL CORRECT GHANGE REQUIRED B RENEWAL PAGE AMENDED NO SPECIFIC PAGE AMENDED YEARS PERIOD 22 TIRST GIVEN NAME SURNAME INTTTAL 23 REFERENCE. 24 DEBTOR/ SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR: OTHER CHANGE: 25 26 27 DESCRIPTION 28 02/ 05 DIBTOR/ 03/ TRANSFEREE BUSINESS NAME 06 ONTARIO CORPORATION NO. 04/07 29 ASSIGNOR secured party/lien chaimanp/assignee 08 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER CONSUMER MOTOR VEHICLE,
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF NO FIXED AMOUNT MATURITY OR MATURITY DATE 10 11 MOTOR VEHICLE 12 13 GENERAL 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (LL/68886) SECURED PARTY/ ADDRESS 17 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.



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ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

REPORT : PSSR060 PAGE : 12

2436)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON: SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY : 02APR 2025 FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED NO. OF PAGES SCHEDULE: NOMBER 001 1 20211209 1032 1590 01 20211209 1032 1590 8467 21 FILE NUMBER 778885839 RECORD REFERENCEE RENEWAL CORRECT NO SPECIFIC PAGE AMENDED X CHANGE REQUIRED YEARS PERIOD A AMENDMENT 22 TIRSU GIVEN NAME. INTPIAL 23 REFERENCE 24 DEBTOR/... BUSINESS NAME: SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR OTHER CHANGE
REASON/ AMEND SECURED' PARTY'S ADDRESS 25 26 27 DESCRIPTION 28 02/ DATE OF BIRTH TIRST GIVEN NAME SURNAME DEBUOR/ 05 TRANSPIRTE 03/ BUSINESS NAME 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE BUSINESS DEVELOPMENT BANK OF CANADA 08 09 ADDRESS 25 MAIN ST. W. SUITE 1900 HAMILTON ON L8P 1H1 COLLATERAL CLASSIFICATION MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY FOUTPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE 10 V.T.N. MOTOR 11 12 VEHICLE 13 GENERAL 14 COLLATERAL: 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (LL/68886) SECURED PARTY/ ADDRESS 17 5000 YONGE STREET, 10TH FLOOR TORONTO OMM2N 7E9 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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ID: 20250403125648.86

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 13

2437)

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SPARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
FILE CURRENCY : 02APR 2025

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION
 PAGE
 TOTAL
 MOTOR VEHICLE
 REGISTRATION

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 NO., OF PAGES
 SCHEDULE
 NUMBER

 01
 001
 20221003 1731 1590
 20221003 1731 1590 2801 01 TILE NUMBER 21 RECORD 778885839 REFERENCED RENEWAL CORRECT CHANGE REQUIRED NO SPECIFIC PAGE AMENDED PERIOD B RENEWAL 22 FIRST GIVEN NAME SURNAME 23 REFERENCE : DEBTOR/ 24 BUSINESS NAME: SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR OTHER CHANGE 25 REASON/ 26 27 DESCRIPTION 28 02/ TIRST GIVEN NAME SURNAME 05 DEBTOR/ 03/ TRANSFEREE 06 ONTARIO CORPORATION NO. 04/07 ADDRESS ASSIGNOR SECURED BARTY/LIEN CLAIMANT/ASSIGNEE 29 08 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR-VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED TRUDOMA MATURITY OR MATURITY DATE 10 11 MOTOR 12 VEHICLE CENERAL . 13 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (LL/68886) 17 SECURED PARTY/ ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ONM2N 7E9 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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CERTIFICATE

REPORT : PSSR060 PAGE : 14 (2438)

RUN DATE: 2025/04/03 PERSO ID: 20250403125648.86

SEARCH CONDUCTED ON: SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY: 02APR 2025

TYPE OF SEARCH : BUSINESS DEBTOR

GCURRENCY : 02APR 2025

FORM IC FINANCING STATEMENT / CLAIM FOR LITEN 778841757 00 REGISTRATION REGISTERED REGISTRATION MOTOR VEHICLE SCHEDULE NO. OF PAGES NUMBER UNDER PERIOD 01 001 20211207 1059 1590 8028 PPSA DATE OF BIRTH FIRST GIVEN NAME BURNAME. 02 DEBTOR 03 NAME SHAW ALMEX GLOBAL HOLDINGS LIMITED BUSINESS NAME: ONTARIO CORPORATION NO. 04 323 GLOVER ROAD STONEY CREEK L8E 5M2 DATE OF BIRTH DERST GIVEN NAME SURNAME 05 DEBTOR 06 NAME SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 07 ON 18E 5M2 323 GLOVER ROAD STONEY CREEK SECURED PARTY / 80 BUSINESS DEVELOPMENT BANK OF CANADA 09 address 100 CONSILLIUM PLACE, SUITE 308 SCARBOROUGH ON M1H 3E3 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED

IPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

Y X X CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X X X X 10 YEAR MAKE 11 MOTOR 12 VEHICLE 13 GENERAL 14 COLLATERAL 15 DESCRIPTION CHAITONS LLP (LL/68886) 17 5000 YONGE STREET, 10TH FLOOR TORONTO ONM2N 7E9 ADDRESS ... *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY CONTINUED... 15







ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

PAGE • 15 2439)

REPORT : PSSR060

TILE CURRENCY 02APR 2025 FORM 2C PINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUPTON PAGE TOTAL MOTOR VEHICLE REGISTRATION FILLING NO. OF PAGES SCHEDULE NUMBER NO. OF PAGES SCHEDULE NUMBER 20211208 1508 1590 8350 01 001 ette momber 21 778841757 REFERENCED RENEWAL CORRECT NO SPECIFIC PACE AMENDED
X PAGE AMENDED CHANGE REQUIRED YEARS PERIOD 22 A AMENDMENT ETERST GIVEN NAME INTPIAL SURNAME 23 RECERENCE 24 DEBTOR/ BUSTNESS NAME SHAW ALMEX GLOBAL HOLDINGS LIMITED TRANSFEROR 25 OTHER CHANGE REASON/ REMOVE SHAW ALMEX GLOBAL HOLDINGS LIMITED AS DEBTOR TO THE 26 DESCRIPTION 27 REGISTRATION 28 02/ PIRST GIVEN NAME 05 03/ TRANSPEREE BUSINESS NAME ONTARIO CORPORATION NO. 06 04/07 ADDRESS 29 AGGTGNOR skuured party/lijen claimant/assignee 98 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE AMOUNT 10 11 MOTOR 12 VEHICLE GENERAL 13 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (LL/68886) 17 SECURED PARTY/ ADDRESS 5000 YONGE STREET, 10TH FLOOR M2N 7E9 TORONTO OMLIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.



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ID: 20250403125648.86

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

CERTIFICATE

ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 16

E: 16 (2440)

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY # 02APR 2025

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT REGISTERED UNDER 01 T. B NUMBER 21 778841757 RECORD REFERENCEL RENEWAL CORRECT PAGE AMENDED NO SPECIFIC PAGE AMENDED YEARS PERIOD 22 HIRST GIVEN NAME SURNAME 23 REPERENCE DEBTOR/ 24 BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR OTHER CHANGE 25 26 REASON/ 27 DESCRIPTION 28 02/ DATE OF BIRTH TIRST GIVEN NAME 05 DEBTOR/ 03, TRANSPEREE 06 ONTARIO CORPORATION NO. 04/07 29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE 08 09 COLLATERAL CLASSIFICATION MOTOR VEHICLE DATE OF NO FIXED INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED GOODS MATURITY OR AMOUNT 10 11 MOTOR 12 VEHICLE 13 GENERAL 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (LL/68886) 17 SECURED PARTY/ ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9 LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

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REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÚRETÉS MOBILIÈRES

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ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 17 (2441)

ENQUIRY RESPONSE CERTIFICATE

FILE CURRENCY # 02APR 2025 FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUTTON PAGE TOTAL MOTOR VEHICLE
FILING NO. OF PAGES SCHEDULE
001 1 202 REGISTRATION REGISTERED NUMBER 20211209 1030 1590 8466 01 FILE NUMBER 778841757 21 RENEWAL CORRECT PERIOD CHANGE REQUERED YEARS A AMENDMENT 22 SURNAME 23 REFERENCE DEEMOR/ 24 SHAW-ALMEX INDUSTRIES LIMITED BUSINESS NAME: TRANSFEROR OTHER CHANGE
REASON/ AMEND SECURED PARTY'S ADDRESS 25 26 27 DESCRIPTION 28 SURNAME 02/ DATE OF BIRTH TTRST GIVEN NAME INITIAL 05 DEBTOR/ 03/ TRANSFEREE 06 ONTARIO CORPORATION NO 04/07 ASSIGNOR 29 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE BUSINESS DEVELOPMENT BANK OF CANADA 08 09 25 MAIN ST. W. SUITE 1900 L8P 1H1 ADDRESS HAMILTON COLLATERAL CLASSIFICATION CONSUMER DATE OF NO FIXED AMOUNT MATURITY OR MATURITY DATE MOTOR VEHTCLE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 10 11 MOTOR 12 VILLE 13 GENERAL 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (LL/68886) 17 SECURED PARTY/ ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ONM2N 7E9 LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

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REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÜRETES MOBILIÈRES

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REPORT : PSSR060

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

RUN NUMBER: 093

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17

VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

LIEN CLAIMANT

REGISTERING AGENT OR

SECURED FARTY/ ADDRESS

RUN DATE: 2025/04/03

ID: 20250403125648.86

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY # 02APR 2025 PORM 2C PINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUTTON PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED NUMBER UNDER FIRING NO. OF PAGES SCHEDULE 01 001 01 20211220 1451 1590 0542 FILE MUNISER 778841757 21 RETERENCED RENEWAL CORRECT CHANGE REQUIRED B RENEWAL YEARS PERTOD 22 RTRSU GIVEN NAME SURNAME INTOTAL 23 REFERENCE DEBTOR/ 24 BUSINESS NAME: SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR OTHER CHANGE 25 26 REASON/ 27 DESCRIPTION 28 SURNAME 02/ DATE OF BIRTH FIRST GIVEN NAME 05 DEBTOR/ 03, TRANSFEREE BUSINESS NAME 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR SECURED PARTY/LITEN CLATMANT/ASSIGNEE 08 09 ADDRESS COLLAPERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT: MATURITY OR MATURITY DATE 10 MOTOR

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

TORONTO

CHAITONS LLP (LL/68886)

5000 YONGE STREET, 10TH FLOOR

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SECURED PARTY/

LITEN CLAIMANT

ADDRESS

ID: 20250403125648.86

TYPE OF STARCH BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE REPORT : PSSR060 PAGE : 19

: 19 (2443)

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED 02APR 2025 FORM 2C PINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION NO. OF PAGES SCHEDULE NUMBER 01 001 20211223 1555 1590 1349 21 TILE NUMBER 778841757 RECORD REFERENCEL RENEWAL. CORRECT GHANGE REQUIRED A AMENDMENT PERTOD YEARS 22 FURST GIVEN NAME SURNAME 23 REFERENCE 24 DEBTOR/ SHAW ALMEX GLOBAL HOLDINGS LIMITED TRANSFEROR 25 OTHER CHANGE 26 REASON/ TO ADD GENERAL COLLATERAL DESCRIPTION TO THE REGISTRATION 27 DESCRIPTION 28 02/ DATE OF BIRTH 05 DEBTOR/ 03/ TRANSFEREE 06 ONTARIO CORPORATION NO. 04/07 29 ASSIGNOR secured party/liten claimant/assignee 08 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHTCLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 10 11 MOTOR 12 VUITCLE THE SECURED PARTY HAS A SECURITY INTEREST IN ANY AND ALL PRESENT AND 13 GEMERAL: 14 COLLATERAL AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR LOCATED AT, USED IN 15 DESCRIPTION CONNECTION WITH OR ARISING FROM THE REAL PROPERTY LOCATED AT 323 16 REGISTERING AGENT CHAITONS LLP (LL/68886)

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

TORONTO

5000 YONGE STREET, 10TH FLOOR

N. (VIVIA)

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 20 (2444)

ID: 20250403125648.86 ENQUIRY RESPONSE CERTIFICATE

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FLUE CURRENCY : 02APR 2025

TYPE OF SEARCH : BUSINESS DEBTOR

PORM 2C PINANCING CHANGE STATEMENT / CHANGE STATEMENT PAGE TOTAL MOTOR VEHICLE REGISTRATION NO. OF PAGES SCHEDULE 002 3 NUMBER 01 20211223 1555 1590 1349 21 RILLE MUMBER 778841757 RECORD REFERENCED RENEWAL CORRECT NO SPECIFIC PAGE AMENDED CHANGE REQUIRED YEARS PERIÓD 22 DTRSU GIVEN NAME SURNAME 23 REFERENCE 24 DEBTOR/ BUSTNESS NAME TRANSFEROR OWHER CHANGE 25 26 REASON/ 27 DESCRIPTION 28 02/ DATE OF BIRTH FIRST GIVEN NAME 05 DEBTOR/ 03/ TRANSFEREE BUSINESS NAME 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR SECURED FARTY/LIEN CLATMANT/ASSIGNEE 08 0.9 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT: MATURITY OR 10 11 MOTOR 12 VEHICLE 13 GENERAL GLOVER ROAD, HAMILTON, ONTARIO, AS LEGALLY DESCRIBED IN PIN 17357-0017 (LT) AND 5560 CORPORATE EXCHANGE CT SE, GRAND RAPIDS, 14 COLLATERAL: 15 DESCRIPTION MICHIGAN, LEGALLY DESCRIBED AS LOT 23, MEADOWBROOKE BUSINESS PARK, 16 REGISTERING AGENT OR 17 SECURED PARTY/ ADDRESS LIEN CLAIMANT

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RUN NUMBER: 093

RUN DATE: 2025/04/03

ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

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TILE CURRENCY 02APR 2025 FORM RC PINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED NO. OP PAGES SCHEDULE
003 3 NUMBER 01 20211223 1555 1590 1349 FLLE NUMBER 21 778841757 RECORD REFERENCEL RENEWAL CORRECT CHANGE REQUIRED YEARS PERIOD NO SPECIFIC PAGE AMENDED 22 SURNAME 23 REPERENCE 24 DEBTOR/ BUSINESS NAME TRANSFEROR -OTHER: CHANGE 25 26 REASON/ 27 DESCRIPTION 28 02/ DATE OF BIRTH FIRST GIVEN NAME 05 DEBTOR/ 03/ TRANSFEREE BUSINESS NAME 06 ONTARIO CORPORATION NO. ADDRESS 04/07 29 SECTIRED FARTY/LIEN CLAIMANT/ASSIGNEE 98 09 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED TOWNERS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE GOODS MATURITY OR MATURITY DATE 10 MOTOR 11 VEHICLE 12 GENERAL 13 PART OF THE NORTHWEST 1/4 AND NORTHEAST 1/4 OF SECTION 31, TOWN 6 14 COLLATERAL NORTH, RANGE 10 WEST, CASCADE TOWNSHIP, KENT COUNTY, MICHIGAN, 15 DESCRIPTION RECORDED IN LIBER 91 OF PLATS, PAGE 21 REGISTERING AGENT OR 16 17 SECURED PARTY/ ADDRESS LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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REPORT : PSSR060

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

TY SECURITY REGISTRATION SYSTEM PAGE ENQUIRY RESPONSE

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23

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY : 02APR 2025

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT POTAL MOTOR VEHICLE REGISTRATION REGISTERED PAGES SCHEDULE NUMBER UNDER 1 20220916 1138 1590 0323 P PPSA 001 01 21 TIE NUMBER RECORD 778841757 REFERENCED RENEWAL. CORRECT NO SPECIFIC PAGE AMENDED
X CHANGE REQUIRED
A AMENDMENT YEARS PERIOD 22 SURNAME FIRST GIVEN NAME 23 REFERENCE 24 DEBTOR/ DUSTINUSS: NAME SHAW ALMEX GLOBAL HOLDINGS LIMITED TRANSPEROR 25 OTHER CHANGE
REASON/ TO REMOVE THE GENERAL COLLATERAL DESCRIPTION 26 27 DESCRIPTION 28 02/ DATE OF BIRTH ITTRST GIVEN NAME 05 03, TRANSFEREE BUSINESS NAME 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR secured party/lien claimanu/assignee 9.0 09 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED PULLOMA MATURITY OR MATURITY DATE 10 11 MOTOR 12 VEHICLE GENERAL 13 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CHAITONS LLP (JW/68886) 17 SECURED PARTY/ ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ONM2N 7E9 TITEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

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REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES



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2447)

RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

SEARCH CONDUCTED ON :

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH . BUSINESS DEBTOR SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 777345921 00 PAGE TOTAL REGISTERED REGISTRATION MOTOR VEHICLE REGISTRATION no. of pages SCHEDULE NUMBER UNDER PERIOD 01 20211015 1219 6005 5436 P PPSA DATE OF BIRTH PIRST CIVEN NAME 02 DEBTOR 03 NAME DUSTNESS NAME SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 04323 GLOVER ROAD ADDRESS STONEY CREEK L8E 5M2 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME DEBTOR 05 06 BUSINESS NAME ONTARIO CORPORATION NO. 07 80 SECURED PARTY CWB NATIONAL LEASING INC. TUTEN CITATINANID 09 ADDRESS 1525 BUFFALO PL (3058933) WPG MBR3T 1L9 COLLAPERAL CHASSIFICATION CONSUMER -MOTOR VEHICLE AMOUND DATE OF NO FIXED MATURITY DATE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X 10 YHAR MAKE 11 MOTOR 12 VEHICLE ALL NATURAL GAS STEAM OPERATING ELECTRICAL BOILER OF EVERY NATURE OR 13 GENERAL 14 COLLATERAL KIND DESCRIBED IN LEASE SCHEDULE NUMBER 3058933, WHICH LEASE 15 DESCRIPTION SCHEDULE IS ATTACHED TO AND FORMS PART OF MASTER LEASE AGREEMENT 16 REGISTERING AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY: ***

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE 24 2448)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : FILE CURRENCY

SHAW ALMEX INDUSTRIES LIMITED 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 777345921 00 TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION NO. OF PAGES SCHEDULE NUMBER UNDER 01 20211015 1219 6005 5436 DAUE OF BIRTH FIRST GIVEN NAME STURNATUR 02 DEBTOR 03 NAME BUSINESS NAME ONTARTO CORPORATION NO. 04DATE OF BIRTH FIRST GIVEN NAME SURNAME INLITALE 05 DEBTOR 06 BUSTNESS NAME ONTARIO CORPORATION NO. 07 80 GECURED PARTY / address. 09 COLLABERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED MATURITY OR MATURITY DATE GOODS: INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 10 11 12 VEHICLE 13 GENERAL NUMBER 50385808 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR COLLATERAL 14 AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL 15 DESCRIPTION ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND 16 AGENT 17 ADDRESS *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** 25 CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR Quintanillall REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES



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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 25 PAGE :

2449)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE:CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN FILE NUMBER 777345921 00

CIAUTION PAGE TOTAL

REGISTRATION REGISTRATION NUMBER UNDER PERIOD NO. OF PAGES NUMBER 20211015 1219 6005 5436 PIRST GIVEN NAME SURVAME DATE OF BIRTH

MOTOR VEHICLE

02 NAME 03 BUSTNESS NAME 04

DATE OF BIRTH INTTTAL FIRST GIVEN NAME SUKNAME :

05 DEBTOR 06 NAME BUSINESS NAME:

ONTARIO CORPORATION NO 07 ADDRESS

SECURED PARTY / 08 09

ADDRESS

Colhareral Chassification

CONSUMER MOPOR VEHTCLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED.

YHAR MAKH 11 MOTOR

12 VEHICLE

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DERIVED DIRECTLY OR INDIRECTLY THEREFROM. GENERAL

14 COLLATERAL 15 DESCRIPTION

16 REGISTERING 17

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY: ***

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PERIOD

CNTARIO CORPORATION NO.

26

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR

DES SURETÉS MOBILIÈRES



PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE 26

2450)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH , BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 776332827 00 MOTOR VEHICLE REGISTERED REGISTRATION REGISTRATION under period NO. OF PAGES SCHEDULE NUMBER 01 20210913 1538 6083 3376 PPSA PIRST GIVEN NAME DATE OF BIRTH SURNAME 02 03 SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 04 323 GLOVER ROAD STONEY CREEK ON DATE OF BIRTH PIRST GIVEN NAME SURNAME DEBTOR 05 BUSINESS NAME 06 NAME ONTARIO CORPORATION NO. 07 SECURED PARTY 08 VFI KR SPE I LLC LITEN CHAIMAND 09 ADDRESS 2800 EAST COTTONWOOD PARKWAY, 2ND FLOOR SALT LAKE CITY

CONSUMER DATE OR MATERITY DATE MOTOR VEHICLE AMOUNT GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

X 10

11 MOTOR VEHICLE 12

13 THAT A PORTION OF THE EQUIPMENT AND PERSONAL PROPERTY AND ALL 14 COLLATERAL MODIFICATIONS AND ADDITIONS THERETO AND REPLACEMENTS AND

15 DESCRIPTION SUBSTITUTIONS THEREFORE, IN WHOLE OR IN PART (THE "EQUIPMENT"),

16

ESC CORPORATESERVICES LTD. (CSC) SS

445 KING STREET ADDRESS

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*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR

DES SÜRETÉS MOBILIÈRES



PROVINCE OF ONTARIO RUN NUMBER: 093 MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY RUN DATE: 2025/04/03 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ID: 20250403125648.86

TYPE OF SEARCH BUSINESS DEBTOR

ENQUIRY RESPONSE

CERTIFICATE

REPORT : PSSR060 PAGE

27 2451)

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 TORM IC FINANCING STATEMENT / CLAIM FOR LITEN 776332827 00 PAGE MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION ETLAING NO. OF PAGES
002 3 NUMBER -01 20210913 1538 6083 3376 PURST GIVEN NAME DATE OF BIRTH 02 NAME 03 BUSTNUSS NAME ONTARIO CORPORATION NO. 04 DATE OF BIRTH FIRST GIVEN NAME SURNAME: INTUTAL 05 DEBTOR 06 NAME ONTARIO CORPORATION NO 07 ADDRESS SECURED PARTY / 98 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR . VEH LCL Γ DATE OF NO ETXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 11 12 VEHICLE GENERAL LEASED OR TO BE LEASED BY VARILEASE FINANCE, INC. TO SHAW ALMEX 13 14 COLLATERAL FUSION, LLC, AS LESSEE DESCRIBED IN SCHEDULE NO. 01 DATED NOVEMBER 15 DESCRIPTION 16, 2020, TO MASTER LEASE AGREEMENT DATED NOVEMBER 16, 2020 AND IS 16 AGENT 17 ADDRESS... *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SURETÉS MOBILIÈRES

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY

RUN NUMBER: 093

RUN DATE : 2025/04/03

ID: 20250403125648.86

SEARCH CONDUCTED ON :

TYPE OF SEARCH # BUSINESS DEBTOR

SHAW ALMEX INDUSTRIES LIMITED

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENOUIRY RESPONSE

CERTIFICATE

28

REPORT : PSSR060

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02APR 2025 FILE CURRENCY FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 776332827 00 CAUTION TOTAL MOTOR VEHICLE REGISTRATION PAGE REGISTERED REGISTRATION NUMBER UNDER PERIOD NO. OF PAGES SCHEDULE 01 003 20210913 1538 6083 3376 DAUE OF BIRDE SURNAME FIRST GIVEN NAME 02 03 BUSTNESS NAME ONWARIO CORPORATION NO: 04DATE OF BURTH FIRST GIVEN NAME 05 DEBTOR 06 MAME BUSINNSS NAME ONWARTO CORPORATION NO. 07 08 SECURED PARTY TITEN CTATMAMP 09 ADDRESS COLLABERAL CLASSIFICATION CONSUMER MOTOR VEHICLE TITIOMA DATE OF NO EXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 11 12 VEHICLE 13 LOCATED AT VARIOUS LOCATIONS IN ONTARIO, CANADA OR OTHERWISE IN THE GENERAL 14 COLLATERAL POSSESSION OF AND IS USED BY THE BAILEE. 15 DESCRIPTION 16 REGISTERING AGENT ADDRESS 17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES



PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

REPORT : PSSR060 29 PAGE : 2453)

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH COMDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY 02APR 2025

RUN NUMBER: 093

RUN DATE: 2025/04/03

ID: 20250403125648.86

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 776034864 00 REGISTERED REGISTRATION PAGE TOTAL MOTOR VEHICLE REGISTRATION PERTOD NO. OF PAGES SCHEDULE NUMBER UNDER 01 20210902 1012 6005 4628 PPSA DAUE OF BIRTH PIRST GIVEN NAME SURNAME 02 DEBTOR 03 NAME BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED 04ADDRESS 323 GLOVER ROAD STONEY CREEK L8E 5M2 DATE OF BIRTH FIRST GIVEN NAME SURNAME 05 DEBTOR BUSTNESS NAME 06 NAME ONTARIO CORPORATION NO. 07 SECURED PARTY / TITEN TEATMANT TADDRESS 98 CWB NATIONAL LEASING INC. 09 1525 BUFFALO PL (3058933) WPG MBR3T 1L9 COMMERSI CLASSIFICATION CONSUMER $exttt{MOTOR}$ $exttt{VEHICLE}$ $exttt{AMOUNT}$ $exttt{DATE}$ $exttt{OF}$ NO FTXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

X MATURITY OR MATURITY DATE 10 YEAR MAKE 11 MOTOR 12 VEHICLE 13 ALL ON/OFF NATURAL GAS 1,035LBS/HR STEAM OPERATING AT 100PSIG GENERAL 14 COLLATERAL ELECTRICAL 120 V BOILER OF EVERY NATURE OR KIND DESCRIBED IN LEASE 15 DESCRIPTION SCHEDULE NUMBER 3058933, WHICH LEASE SCHEDULE IS ATTACHED TO AND 16 REGISTERING AGENT 17 ADDRESS *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR

DES SÚRETÉS MOBILIÈRES

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30



PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 30 (2454)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN 776034864 00 MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION no. of NUMBER PAGES SCHEDULE 01 20210902 1012 6005 4628 DATE OF BIRTH PIRST GIVEN NAME INITIAL. SURNAVIC 02 03 BUSINESS NAME ONTARIO CORPORATION NO. 04 DATE OF BIRTH FIRST GIVEN NAME LNITTAL SURNAME 05 06 ONTARIO CORPORATION NO. 07 SECURED PARTY / LIEN CUAIMANT 08 P ADDRESS 09 COLLABORATE CHASSIFICATION CONSUMER CONSUMER MOTOR VEHICLE AMOUNT DATE OF
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR NO FIXED MATURITY DATE 10 11 VEHICLE 13 GENERAL FORMS PART OF MASTER LEASE AGREEMENT NUMBER 50385808 BETWEEN THE 14 COLLATERAL SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM 15 DESCRIPTION TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, 16 AGENT *** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY. ***

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REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

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31



PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 31 (2455)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
FILE CURRENCY : 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIFN 776034864 00 PAGE REGISTERED REGISTRATION MOTOR VEHICLE REGISTRATION NO. OF PAGES NUMBER UNDER PERTOD 003 01 20210902 1012 6005 4628 DATE OF BURTH SURVANTE PIRST GIVEN NAME 02 DEBTOR 03 NAME BUSTNESS NAME ONWARIO CORPORATION NO. 04ADDRESS DATE OF BIRTH FIRST GIVEN NAME SURNAME 05 06 BUSINESS NAME ONTARTO CORPORATION NO 07 ADDRESS SECURED PARTY / THEN COATMANT ADDRESS 08 09 COLLARERAL CLASSIFICATION CONSUMER DATE OF NO FIXED MATURITY DATE MOTOR VEHICLE AMOUNT GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 10 YEAR NAKE MOTOR 11 12 VEHICLE 13 SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY 14 COLLATERAL THEREFROM. DESCRIPTION 15 16 AGENT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

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REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÜRETÉS MOBILIÈRES

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RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE 2456)

ENQUIRY RESPONSE CERTIFICATE

FILE CURRENCY 02APR 2025 FORM IC FINANCING STATEMENT / CLAIM FOR LITEN FILE NUMBER 774421047 00 MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION SCHEDULE FILING NO. OF PAGES NUMBER UNDER PERIOD 01 20210714 1627 6005 3610 PPSA DAUE OF BIRTH PIRST GIVEN NAME SURNAME -TATTIME 02 03 BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED 04 323 GLOVER ROAD L8E 5M2 STONEY CREEK DATE OF BIRTH FIRST GIVEN NAME 05 DEBTOR 06 NAME BUSTNESS NAME ONTARIO CORPORATION NO. 07 ADDRESS SECURED PARTY / TITEN CINTMANT 08 CWB NATIONAL LEASING INC. 09 ADDRESS 1525 BUFFALO PL. (3064109) WINNIPEG R3T 1L9 MBCOLHATERAL CLASSIFICATION CONSUMER DATE OF NO FIXED MATURITY OR MATURITY DATE MOTOR VEHICLE AMOUNT GOODS INVENTORY ROUTPMENT ACCOUNTS OTHER INCLUDED 10 11 12 VEHITCIE 13 ALL FIRE SUPPRESSION SYSTEM OF EVERY NATURE OR KIND DESCRIBED IN GENERAL... 14 COLLATERAL AGREEMENT NUMBER 3064109, BETWEEN THE SECURED PARTY AND THE DEBTOR, 15 DESCRIPTION AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, REGISTERING

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

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MPE OF SEARCH : BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 33

2457)

ENQUIRY RESPONSE CERTIFICATE

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 774421047 00 REGISTRATION = REGISTERED MOTOR VEHICLE REGISTRATION no. Of pages SCHEDULE NUMBER 01 20210714 1627 6005 3610 DATES OF BERTH TIRST GIVEN NAME INTTIAL SURNAME 02 DEBTOR 03 NAME BUSINESS NAME ONTARIO CORPORATION NO. 04 DATE OF BIRTH SURNAME FIRST GIVEN NAME 05 DEBTOR 06 NAME BUSINESS NAME ONTARIO CORPORATION NO 07 ADDRESS SECURED PARTY 98 TUTEN CTATIVANT 09 ADDRESS CONSUMER DATE OF NO FIXED MATURITY DATE: MOTOR VEHICLE AMOUNT GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENGLUDED 10 11 12 VEHICLE GENERAL 13 ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY 14 COLLATERAL OR INDIRECTLY THEREFROM. 15 DESCRIPTION 16 AGENT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÜRETÉS MOBILIÈRES

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE 2458)

34

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SPARCH COMDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 2025 02APR

FORM IC FINANCING STATEMENT / CLAIM FOR LITEN FILE NUMBER 773638299 00 MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION iing no of pages NUMBER SCHEDULE UNDER PERTOD 01 20210618 1837 6005 3043 PPSA FIRST GIVEN NAME DATE OF BIRTH INTTIAL SUNRYGE 02 DEBTOR 03 NAME SHAW-ALMEX INDUSTRIES LIMITED 04 323 GLOVER ROAD STONEY CREEK DATE OF BIRTH PERST GIVEN NAME SURNAME DEBTOR 05 06 BUSINESS NAME NAME ONTARIO CORPORATION NO 07 80 SECURED PARTY CWB NATIONAL LEASING INC. TETEN CHAINEAUP 09 ADDRESS 1525 BUFFALO PLACE (3058929 MLA) R3T 1L9 WINNIPEG MB COLLAPERAL CLASSIFICATION CONSUMER DATE OF MOTOR VEHICLE AMOUNT NO FIXED GOODS INVENTORY FOULPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 11 12 VEHICLE 13 GENERAL ALL GOODS AND EQUIPMENT OF EVERY NATURE OR KIND LEASED PURSUANT TO 14 MASTER LEASE AGREEMENT NUMBER 50385808 BETWEEN THE SECURED PARTY, AS COLLATERATE 15 DESCRIPTION LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, 16 17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

REPORT : PSSR060 PAGE :

35 2459)

CERTIFICATE TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 773638299 00 REGISTRATION NO. OF PAGES NUMBER 01 20210618 1837 6005 3043 DATE OF BIRTH SURWAVID FIRST GIVEN NAME 02 DEBTOR 03 NAME BUSINESS NAME 04INTTEAL DATE OF BERTH FIRST GIVEN NAME SURNAME DEBTOR 05 06 NAMIS BUSINESS NAME

ONTARIO CORPORATION NO.

REGISTERED REGISTRATION

under pertod

07 08 ONTARIO CORPORATION NO.

SECURED PARTY / TETEN CENTMANT 09

ADDRESS

COLLABORATE CLASSIFICATION:

CONSUMER MOTOR VEHTCLE AMOUNT DATE OF NO FIXED GOODS INVENTORY FQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

YEAR MAKE 11 MOTOR 12 VEHICLE

10

13 14 COLLATERAL 15 DESCRIPTION

TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM, INCLUDING ALL AFTER ACQUIRED GOODS AND EQUIPMENT SUBJECT TO ANY

REGISTERING 16

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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36

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REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES



PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT: PSSR060 PAGE 36 2460)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON ; SHAW ALMEX INDUSTRIES LIMITED ETLE CURRENCY 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN 773638299 00 REGISTRATION REGISTERED REGISTRATION PAGE TOTAL MOTOR VEHICLE NO. OF PAGES NUMBER UNDER 01 003 20210618 1837 6005 3043 SURMANIE DATE OF BIRTH FIRST GIVEN NAME 02 NAME 03 BUSINESS NAME ONTARIO CORPORATION NO. 04 FIRST GLVEN NAME DATE OF BIRTH SURNAME 05 DEBUOR 06 NAME BUSTNESS NAME ONTARIO CORPORATION NO 07 SECURED PARTY / 08 09 ADDRESS COLLABERAL CLASSIFICATION CONSIMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 11 MOTOR 12 VEHICLE 13 GENERAL INTERIM FUNDING AGREEMENT (S) AND ANY LEASE SCHEDULES ATTACHED TO AND 14 COLLATERAL FORMING PART OF MASTER LEASE AGREEMENT NUMBER 50385808. 15 DESCRIPTION 16 REGISTERING AGENT 17 ADDRESS *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** 37

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 37 (2461)

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
ETLB CURRENCY : 02APR 2025

FORM (C FENANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 769142331 00 CAUPTON PAGE TOTAL REGISTRATION REGISTERED REGISTRATES
NUMBER UNDER PERIOD MOTOR VEHICLE REGISTERED REGISTRATION no. of pages SCHEDULE 01 20210111 1606 1624 5671 PPSA DATE OF BIRTH TIRST GIVEN NAME SURNAME 02 DEBTOR 03 MAM SHAW-ALMEX INDUSTRIES LTD. BUSINESS NAME ONTARIO CORPORATION NO. 04323 GLOVER RD. L8E 5M2 STONEY CREEK DATE OF BIRTH FTRST GIVEN NAME SURNAME 05 DEBTOR 06 MAME ONTARIO CORPORATION NO 07 SECURED PARTY / 80 NEWPORT LEASING LIMITED 09 2377 FAIRVIEW STREET ADDRESS BURLINGTON OML7R 2E3 COLLATERAL CLASSIFICATION CONSUMER CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY ROUPMENT ACCOUNTS OTHER INCLUDED MATURITY DATE X 52000 11JAN2025 10 YEAR MAKE 2019 RAM MODEL 1500 CREW CAB V.T.N. 106RR7KM4K8719465 11 12 VEHICLE 13 GENERAL 14 COLLIATERAL 15 DESCRIPTION 16 CANADIAN BUSINESS INFORMATION SERVICES AGENT 1024 UPPER WENTWORTH ST, UNIT 4 L9A 4V9 HAMILTON ON *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** CONTINUED... 38

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REGISTRATE OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÚRETÉS MOBILIÈRES

(CITTIF O 05/2022)



PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 38 (2462)

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON: SHAW ALMEX INDUSTRIES LIMITED
FILE GURRENCY : 02APR 2025

FORM IC PINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 768478149 00 CAUTION PAGE WOWAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PILING NO OF PAGES NUMBER UNDER PERIOD 01 PPSA DATE OF BIRTH FIRST GIVEN NAME SURMANIE 02 DEBTOR 03 NAME BUSINESS NAME SHAW-ALMEX INDUSTRIES LTD. ONTARIO CORPORATION NO. 323 GLOVER RD. 04 STONEY CREEK L8E 5M2 DATE OF BIRTH PIRST GIVEN NAME 05 DEBTOR 06 NAME 07 ADDRESS SECURED PARTY / 98 NEWPORT LEASING LIMITED 09 2377 FAIRVIEW STREET BURLINGTON L7R 2E3 COLLATERAL CLASSIFICATION CONSUMER CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE.

X 50000 10DEC2025 10 YEAR MAKE 2018 RAM MODEL 1500 CREW CAB 4x4 V.T.N. 1C6RR7TM9JS286139 11 12 VEHICLE GENERAL 13 14 COLLATERAL 15 DESCRIPTION 16 CANADIAN BUSINESS INFORMATION SERVICES 17 1024 UPPER WENTWORTH ST, UNIT 4 HAMILTON ONL9A 4V9 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** CONTINUED... 39

CERTIFIED BY/CERTIFIÉES PAR

V. QUANTONIUM.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÜRETÉS MOBILIÈRES





PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE

REPORT : PSSR060 PAGE : 39 (2463)

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN TILE NUMBER 761750118 00 PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION NUMBER UNDER PERIOD FILING NO. OF PAGES SCHEDULE 01 20200506 1047 1590 3034 P PPSA DATE OF BIRTH PIRST GIVEN NAME SURNAME 02 DEBTOR 03 NAME BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 04 323 GLOVER ROAD STONEY CREEK L8E 5M2 DATE OF BIRTH PIRET GLVEN NAME SURNAME 05 DEBTOR 06 TMAVE ONTARIO CORPORATION NO. 07 ADDRESS 9.0 SECURED PARTY BDC CAPITAL INC. TITEN CTIAIMANT 09 ADDRESS 148 FULLARTON STREET, SUITE 1000 LONDON OMN6A 5P3 COLHAPERAL CHASSIFICATION

CONSUMER MOTOR VEHTCLE AMOUNT DATE OF NO FIXED PMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X X X X 10 11 12 VEHICLE: 13 GENERAL COLLATERAL 14 15 DESCRIPTION 16 CHAITONS LLP (AK/IV) AGENT 5000 YONGE STREET, 10TH FLOOR ADDRESS TORONTO OMM2N 7E9 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** 40 CONTINUED...





PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 40 (2464)

CERTIFICATE

TYPE OF SEARCH BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY : 02APR 2025

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN 759695688 0.0 MOTOR VEHICLE REGISTRATION REGISTRATION REGISTERED REGISTRATION NUMBER UNDER PERIOD PAGE no. Of pages 01 20200129 1544 1624 2984 PPSA DATE OF STRUE FIRST GIVEN NAME SURNAME 02 DEBTOR 03 NAME SHAW-ALMEX INDUSTRIES LTD. BUSTNESS NAME ONTARIO CORPORATION NO. 323 GLOVER RD. 04 STONEY CREEK L8E 5M2 DATE OF BIRTH FIRST GIVEN NAME BURNAME 05 DEBTOR 06 NAME ONTARIO CORPORATION NO 07 SECURED PARTY / 08 NEWPORT LEASING LIMITED 09 ADDRESS 2377 FAIRVIEW STREET BURLINGTON L7R 2E3 COLLABERAL CLASSIFICATION CONSUMER CONSUMBR MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE X 39000 29JAN2025 10 YEAR MAKE 2018 RAM V.T.N. 1C6RR7FG3JS276065 1500 11 12 VEHICLE GENERAL 13 14 COLLATERAL 15 DESCRIPTION 16 CANADIAN BUSINESS INFORMATION SERVICES AGENT 1024 UPPER WENTWORTH ST, UNIT 4 L9A 4V9 HAMILTON ON *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** 41 CONTINUED...





RUN NUMBER : 093 RUN DATE : 2025/04/03

> RECORD REFERENCED

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ID: 20250403125648.86

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

REGISTRATION

20250127 1707 1462 7981

NUMBER

REPORT : PSSR060 PAGE : 41

41 2465)

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: SHAW ALMEX INDUSTRIES LIMITED
FILE CURRENCY: 02APR 2025

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REFILING NO. OF PAGES SCHEDULE

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FILE NUMBER 759695688

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23 REFERENCE SHAW-ALMEX INDUSTRIES LTD.
TRANSPEROR

25 OTHER CHANGE 26 REASON/ 27 DESCRIPTION 28

02/ DATE OF BIRTH FIRST GIVEN NAME FIRST SIRNAME.

03/ TRANSPEREE BUSINESS NAME 06 04/07 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR

OR

OS

COLLATERAL CLASSIFICATION

CONSUMER MOTOR

GONSUMER: MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUITMENT ACCOUNTS OTHER THE THE AMOUNT MATURITY OR MATURITY DATE

YEAR MAKE MODEL Y.T.N.

11 MOYOR

12 VEHICLE

13 GENERAL

13 CEMERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT OR NEWPORT LEASING LTD.
17 SECURED PARTY/ ADDRESS 2377 FAIRVIEW ST

BURLINGTON

ON L7R2E3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

CONTINUED...

42

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I CUMULA COMMENTARION DE PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÚRETES MOBILIÈRES



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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE 2466)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED 2025 2025 2025 FORM 1C FINANCING SPATEMENT / CLAIM FOR LITEN 747686484

> PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION REGISTRATION RESTRICTS NO. OF PAGES PERIOD 20190118 1327 6005 8024 PPSA

DATE OF BIRTH PIRST GIVEN NAME SURNAME: 02 03 SHAW-ALMEX INDUSTRIES LIMITED

ONTAREO CORPORATION NO. 04 17 SHAW-ALMEX DRIVE PARRY SOUND P2A 2W8

DATE OF BIRTH PIRST GIVEN NAME SURNAME 05 DEBTOR NAME

06 ONTARIO CORPORATION NO 07

SECURED PARTY / "DIEN" CHAIMAND 98 CWB NATIONAL LEASING INC.

e andress 09 1525 BUFFALO PLACE (2916523) WINNIPEG MBR3T 1L9

COLLATERAL CLASSIFICATION: CONSUMER CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY DATE X X 10

YEAR MAKE MODEL CPYD\$0-TY5-H V.T.N. 010509P9140 2018 HELT FORKLIFT TRUCK 11 MOTOR 12 VEHICLE

13 GENERAL AGREEMENT NUMBER 2916523

14 COLLATERAL: 15 DESCRIPTION

16

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SURETÉS MOBILIÈRES

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT: PSSR060 PAGE: 43 (2467)

ENQUIRY RESPONSE CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON ; SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY 2 02APR 2025

FORM IC TIMANCING STATEMENT / CLAIM FOR LITEN FILE NUMBER 692594181 00 PAGE MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION no. of pages SCHEDULE NUMBER UNDER PERIOD 01 20131213 1427 8077 1642 PPSA DATE OF BIRTH FIRST GIVEN NAME SURNAME 02 DEBTOR 03 NAME BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 04 ADDRESS PO BOX 430, 17 SHAW ALMEX DRIVE PARRY SOUND P2A 2X4 DATE OF BIRTH FIRST GIVEN NAME SURNAME 05 DEBTOR 06 NAME ONTARIO CORPORATION NO. 07 ADDRESS 08 SECURED PARTY HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY THEN CHAIMAND 09 address 5150 SPECTRUM WAY L4W 5G1 MISSISSAUGA ON COLLATERAL CLASSIFICATION CONSUMER DATE OF NO FIXED
MATURITY OR MATURITY DATE
X MOTOR VEHICLE AMOUNT GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X 10 YEAR MAKE 11 12 VEHICLE 13 MASTER LEASE. ANY AND ALL EQUIPMENT, TANGIBLE AND INTANGIBLE, 14 LEASED PURSUANT TO SCHEDULES UNDER MASTER LEASE AGREEMENT NO. COLLATERAL DESCRIPTION 15 5225920844 AND ANY PROCEEDS THEREFROM. REGISTERING REGISTRY = RECOVERY INC. AGENT 17 1551 THE QUEENSWAY ADDRESS TORONTO M8Z 1T5 ON *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ** CONTINUED... 44





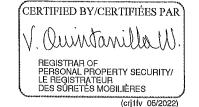
TYPE OF SEARCH BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE

REPORT : PSSR060 PAGE 44 2468)

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 2025 02APR FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN FILE NUMBER 692594181 00 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION Filing no. of pages NUMBER under period 01 20131213 1427 8077 1642 DATE OF BIRTH SURNAME PIRST GIVEN NAME 02 DEBTOR 03 NAME BUSTNESS NAME: ONHARIO CORPORATION NO. 04 DATE OF BIRTH SURNAME PIRST GIVEN NAME LALULVI 05 DEBTOR 06 NAME BUSINESS NAME ONWARIO CORPORATION NO. 07 ADDRESS Secured Party / COMPAGNIE DE SERVICES FINANCIERS HEWLETT-PACKARD CANADA 98 09 ADDRESS 5150 SPECTRUM WAY MISSISSAUGA L4W 5G1 ONCOLITATERAL CLASSIFF CATTON CONSUMER MOTOR VEHTCLE AMOUNT DATE OF NO FIXED
FPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 10 11 12 VELICLE 13 GENERAL COLLATERAL 14 DESCRIPTION REGISTERING *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***



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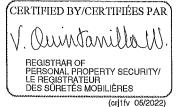


PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE REPORT : PSSR060 PAGE : 45 (2469)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED
FILE CURRENCY : 02APR 2025

TORM 1C FINANCING STATEMENT / CLAIM FOR LITEN РТТБ NUMBER 683016111 00 MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION SCHEDULE NUMBER UNDER PERIOD PAGE no. of pages 01 20121121 1051 1862 2713 PPSA SURNAME DATE OF BIRTH PIRST GIVEN NAME 02 03 BUSINESS NAME: SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 000095408 0417 SHAW ALMEX DRIVE ON P2A 2x4 PARRY SOUND DATE OF BIRTH DIRST GIVEN NAME SURNAME 05 DEBTOR 06 BUSINESS NAME ONTARIO CORPORATION NO 07 98 SECURED PARTY HSBC BANK CANADA TITEN CLAIMAND ADDRESS 09 271 CORNWALL ROAD, UNIT A 102 OAKVILLE ь6J7Z5 TIO COLLABORAT. CLASSIFICATION CONSUMER CONSUMER MOTOR VEHICLE AMOUNT. DATE OF GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER LINCAUDED MATURITY OR X X X X X MATURITY OR MATURITY DATE 10 YEAR MAKE 11 MOTOR 12 VEHICLE GENERAL 13 COLLATERAL 14 DESCRIPTION 15 16 BEBER & ASSOCIATES PROFESSIONAL CORPORATION AGENT 17 390 BAY STREET, SUITE 2900 TORONTO M5H 2Y2 TMO46 CONTINUED...





REPORT : PSSR060

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RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 2C PINANCING CHANGE STATEMENT: / CHANGE STATEMENT: CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION PAGES SCHEDULE NUMBER 01 001 20170327 1731 1590 0391 21 TILE NUMBER 683016111 RECORD REFERENCED RENEWAL CORRECT CHANGE REQUIRED B RENEWAL NO SPECIFIC PAGE AMENDED YEARS PERIOD 22 TTRST GTVEN NAME 23 REFERENCE 24 DEBTOR/ SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR OTHER CHANGE 25 26 REASON/ 27 DESCRIPTION 28 02/ DATE OF BIRTH TTRST GIVEN NAME 05 DEBTOR/ 03/ TRANSPEREE 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR SPATIEDD FARTY/LIEN CLATMANT/ASSIGNEE 98 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE AMOUNT 10 11 MOTOR 12 VEHICLE 13 GENERAL COLLATERAL 14 15 DESCRIPTION REGISTERING AGENT OR 16 DENTONS CANADA LLP (N. CIPOLLA) SECURED PARTY/ ADDRESS LIEN GLAIMANTE 17 77 KING STREET WEST, SUITE 400 ONM5K 0A1 TORONTO *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR

DES SÛRETÉS MOBILIÈRES

(cr|2fv 05/2022)



REPORT : PSSR060

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025

RUN NUMBER: 093

RUN DATE: 2025/04/03

ID: 20250403125648.86

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT POTAL MOTOR VEHICLE REGISPRATION
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DES SÛRETÉS MOBILIÈRES

(cri2fv 05/2022)



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DEBTOR

NAME

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE

REPORT : PSSR060 PAGE : 48 2472)

TYPE OF SEARCH BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 683016129

> PAGE TOTAL MOTOR VEHICLE RECISTRATION REGISTERED REGISTRATION filling no. of pages NUMBER 20121121 1051 1862 2714 DATE OF BIRTH PIRST GIVEN NAME SURNAME

04 17 SHAW ALMEX DRIVE PARRY SOUND DATIE OF BERTH FIRST GLVEN NAME SURNAME 05 DEBTOR 06 EMAN

921673 ONTARIO INC.

ONTARIO CORPORATION NO. 07

SECURIA PARTY / 08 HSBC BANK CANADA

ADDRESS

BUSINESS NAME

COLLATERAL CLASSIFICATION CONSUMER

271 CORNWALL ROAD, UNIT A 102

CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE:

X X X X X X X 10

11 MOTOR ... 12 VEHICLE

13 14 COLLATERAL 15 DESCRIPTION

16 REGISTERING BEBER & ASSOCIATES PROFESSIONAL CORPORATION

390 BAY STREET, SUITE 2900 TORONTO

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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CONTINUED... 49

ONT

ONTARIO CORPORATION NO. 000921673

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P2A 2x4

L6J7Z5

M5H 2Y2

CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÚRETÉS MOBILIÈRES



TYPE OF SEARCH BUSINESS DEBTOR

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

REPORT : PSSR060 PAGE : 49 (2473)

ENQUIRY RESPONSE CERTIFICATE

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY 02APR 2025 FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
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 MOTOR VEHICLE
 REGISTRATION

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 01 20170320 1540 1590 9974 21 FILLE NUMBER 683016129 REFERENCED RENEWAL CORRECT NO SPECIFIC PAGE AMENDED
X YEARS CHANGE REQUIRED 22 A AMENDMENT FIRST GIVEN NAME: TNITTAL SURNAME 23 REFERENCE DEBTOR/ 24 921673 ONTARIO INC. TRANSFEROR 25 REASON/ AMENDMENT TO RECORD CHANGE OF DEBTOR NAME AS A RESULT OF 26 27 DESCRIPTION AMALGAMATION WITH 1045818 ONTARIO INC. AND SHAW-ALMEX INDUSTRIES 28 LIMITED. 02/ DATE OF BIRTH 05 DEBTOR/ 03, TRANSPEREE SHAW-ALMEX INDUSTRIES LIMITED 06 ONTARIO CORPORATION NO. 04/07 29 ASSIGNOR secured party/lifen chaimant/assignee 90 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR 10 MOTOR 11 12 VEHICLE CENERAL 13 14 COLLATERAL 15 DESCRIPTION 16 RECISTERING AGENT DENTONS CANADA LLP (N. CIPOLLA) 17 SECURED PARTY/ ADDRESS 77 KING STREET WEST, SUITE 400 TORONTO ON M5K 0A1 LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** 50 CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR

V. QUIMOUND .

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cri2fv 05/2022)



RUN NUMBER : 093 RUN DATE : 2025/04/03

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PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE REPORT : PSSR060 PAGE : 50

2474)

TYPE OF SEARCH : BUSINESS DEBTOR

SPARCH CONDUCTED ON: SHAW ALMEX INDUSTRIES LIMITED FILE CURRENCY: 02APR 2025

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT CAUTION PAGE POPAL MOTOR VEHICLE REGISTRATION NO. OF PAGES SCHEDULE NUMBER UNDER 20170327 1731 1590 0392 01 001 RECORD 683016129 REFERENCED RENEWAL CORRECT PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED YEARS. PERIOD B RENEWAL

TIRST GIVEN NAME.

23 REFERENCE
24 DEBTOR/ BUSINESS NAME SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR

25 OTHER CHANGE 26 REASON/ 27 DESCRIPTION 28

02/ DATE OF BERTH FIRST GIVEN NAME INITIAL SURNAME.

03/ TRANSFEREE BUSINESS NAME 06

06 ONTARTO CORPORATION NO. ADDRESS

INTTTALE

SURNAMIL

29 ASSIGNOR SECURED PARTY/LIEN CLATMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER MOTOR VEHICLE DATE OF NO FIXED

GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE

10 YEAR MAKE MODEL V.I.N.

11 MOTOR MOTOR VEHICLE

13 GENERAL 14 COLLATERAL

15 DESCRIPTION
16 REGISTERING AGENT OR DENTONS CANADA LLP (N. CIPOLLA)

16 REGISTERING AGENT OR DENTONS CANADA LLP (N. CIPOLLA)

17 SECURED PARTY/ ADDRESS 77 KING STREET WEST, SUITE 400 TORONTO ON M5K 0A1

LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***

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51

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V. QUIMONIUM.

REGISTRAR OF PERSONAL PROPERTY SECURITY/
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DES SURETES MOBILIÈRES



REPORT : PSSR060

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PAGE

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

RUN DATE: 2025/04/03 ID: 20250403125648.86

RUN NUMBER: 093

CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED # 02APR 2025 FORM 2C PINANCING CHANGE STATEMENT / CHANGE STATEMENT

TOTAL MOTOR VEHICLE REGISTRATION REGISTERED PAGES SCHEDULE NUMBER UNDER 001 20171102 1432 1530 1835 CAUTION PAGE FILING NO. OF 01 01 DILLE NUMBER 683016129 21 REFERENCES

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CHANGE REQUERED B RENEWAL

RENEWAL YEARS SURNAMII

CORRECT PERIOD

FTRST GIVEN NAME BUSINES NAME: 921673 ONTARIO INC. TRANSFEROR:

OTHER CHANGE 25 26 REASON/ 27 DESCRIPTION 28

REPERENCE DEBTOR/

22

23

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02/ DATE OF BIRTH FIRST GIVEN NAME 05 DIBTOR/

03, TRANSFEREE BUSINESS NAME 06

04/07 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE 08 09

ADDRESS

COLLATERAL CLASSIFICATION MOTOR VEHICLE DATE OF NO FIXED GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE PINUOMA

10 11 MOTOR 12 VEHICLE

13 GENERAL 14 COLLATERAL 15 DESCRIPTION

REGISTERING AGENT OR 16 CANADIAN SECURITIES REGISTRATION SYSTEMS 17

SECURED PARTY/ ADDRESS 4126 NORLAND AVENUE LIEN CLAIMANT

BCV5G 388 BURNABY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 52 CERTIFIED BY/CERTIFIÉES PAR REGISTRAR OF PERSONAL PROPERTY SECURITY/

LE REGISTRATEUR

DES SÛRETÉS MOBILIÈRES (crj2fv 05/2022)



REPORT : PSSR060

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PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

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ENQUIRY RESPONSE (
CERTIFICATE

RUN DATE: 2025/04/03 ID: 20250403125648.86

TYPE OF SEARCH E BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

02APR 2025 FORM IC FINANCING STATEMENT / CLAIM FOR LIEN FILE NUMBER 683016138 00 PAGE MOTOR VEHICLES REGISTRATION REGISTERED REGISTRATION no. of pages SCHEDULIS NUMBER PERIOD 01 PPSA DATE OF BIRTH FIRST GIVEN NAME BURNAME 02 DEBTOR 03 NAME BUSINESS NAME 1045818 ONTARIO INC. ONTARIO CORPORATION NO. 001045818 04 17 SHAW ALMEX DRIVE PARRY SOUND P2A 2X4 DATE OF BIRTH FIRST GIVEN: NAME SURNAMB 05 DEBTOR 06 MAME ONTARTO CORPORATION NO. 07 ADDRESS SECURED PARTY 08 HSBC BANK CANADA TITEM CHAIMANIE 09 ADDRESS 271 CORNWALL ROAD, UNIT A 102 OAKVILLE L6J7Z5 ONT COLTATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED

PMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

X X GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X X X X X 10 11 12 VEHICLE GENERAL 13 14 COLLATERAT 15 DESCRIPTION 16 BEBER & ASSOCIATES PROFESSIONAL CORPORATION AGENT 390 BAY STREET, SUITE 2900 TORONTO ONT M5H 2Y2 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, *** CONTINUED... 53

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V. QUIMOUND .

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÜRETES MOBILIÈRES



TYPE OF SEARCH : BUSINESS DEBTOR

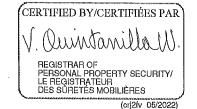
SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM ENQUIRY RESPONSE

REPORT : PSSR060 PAGE : 53 (2477)

CERTIFICATE

02APR 2025 FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT TOTAL MOTOR VEHICLE REGISTRATION NO. OF PAGES NUMBER 01 001 20170320 1541 1590 9975 21 RECORD 683016138 REPERENCED RENEWAL CORRECT NO SPECIFIC PAGE AMENDED
X GLANGE REQUIRED A AMENDMENT YEARS PERIOD 22 FIRST GIVEN NAME INTTIAL SURNAME 23 REPERENCE 24 DEBTOR 1045818 ONTARIO INC. TRANSFEROR 25 OTHER CHANGE REASON/ 26 *AMENDMENT TO RECORD CHANGE OF DEBTOR NAME AS A RESULT OF 27 DESCRIPTION AMALGAMATION WITH 921673 ONTARIO INC. AND SHAW-ALMEX INDUSTRIES 28 LIMITED. 02/ DATE OF BIRTH FIRST GIVEN NAME 05 TRANSFEREE SHAW-ALMEX INDUSTRIES LIMITED ONTARIO CORPORATION NO. 06 04/07 ADDRESS 29 SECURBO PARTY/LIEN CLIATMANT/ASSIGNEE 08 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED INVENTORY EQUIPMENT ACCOUNTS OTHER AMOUNT MATURITY OR MATURITY DATE: 10 11 MOTOR VINITOIII 12 13 GENERAL 14 COLLATERAL 15 DESCRIPTION 16 REGISTERING AGENT OR DENTONS CANADA LLP (N. CIPOLLA) 17 SECURED FARTY/ ADDRESS 77 KING STREET WEST, SUITE 400 TORONTO ONM5K 0A1 LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY CONTINUED... 54





ID: 20250403125648.86

TYPE OF SEARCH : BUSINESS DEBTOR

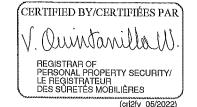
PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

CERTIFICATE

REPORT: PSSR060 PAGE : 54 2478)

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED # 02APR 2025 FORM 2C FINANCING CHANCK SPAREMENT / CHANGE STATEMENT TOTAL MOTOR VEHICLE REGISTRATION NTLING NO. OP PAGES SCHEDULE
01 001 NUMBER UNDER 01 20170327 1731 1590 0393 21 RECORD PITTUR MUMBUR 683016138 REFERENCED RENEWAL CORRECT NO SPECIFIC PAGE AMENDED GHANGE REQUERED E RENEWAL PERIOD 22 SURNAME FIRST GIVEN NAME: INTTIAL 23 REPERENCE 24 DEBTOR/ BUSINESS NAME: SHAW-ALMEX INDUSTRIES LIMITED TRANSFEROR 25 OTHER CHANGE 26 REASON/ 27 DESCRIPTION 28 DATE OF BIRTH 02/ FIRST GIVEN NAME 05 DEBTOR/ 03/ TRANSFEREE BUSINESS NAME 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR SECURED PARTY/LITEN CLAIMANT/ASSIGNEE 08 09 ADDRESS COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE DATE OF NO FIXED GOODS TIVENTORY EQUIPMENT ACCOUNTS OTHER THORTIDED MATURITY OR MATURITY DATE 10 11 MOTOR 12 VEHICLE CENERAL 13 14 COLLATERAL . 15 DESCRIPTION 16 REGISTERING AGENT OR -DENTONS CANADA LLP (N. CIPOLLA) 17 SECURED PARTY/ ADDRESS 77 KING STREET WEST, SUITE 400 TORONTO M5K 0A1 OM LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***



55

CONTINUED...





PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE

RUN NUMBER: 093

RUN DATE: 2025/04/03

ID: 20250403125648.86

TYPE OF SHARCH . . BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

CERTIFICATE

REPORT : PSSR060 : 55

PAGE

CONTINUED...

56

2479)

FILE CURRENCY 02APR 2025 FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT PAGE TOTAL MOTOR VEHICLE REGISTRATION

NO: OP PAGES SCHEDULE NUMBER REGISTERED NO. OF PAGES SCHEDULE 01 001 NUMBER 01 20171102 1432 1530 1836 DILLE NUMBER 21 RECORD 683016138 RENEWAL REFERENCED CORRECT PAGE AMENDED GHANGE REQUIRED B RENEWAL YEARS PERIOD 22 RERSH GIVEN NAME 23 REFERENCE DEBTOR/ 24 1045818 ONTARIO INC. TRANSFEROR OTHER CHANGE 25 REASON/ 26 27 DESCRIPTION 28 02/ DATE OF BIRTH 05 03/ TRANSPEREE 06 ONTARIO CORPORATION NO. 04/07 ADDRESS 29 ASSIGNOR SECURED BARTY/LIEN CLAIMANT/ASSIGNEE 08 09 ADDRESS COLLATERAL CLASSIFICATION CONSUMER DATE OF NO FIXED MOTOR VEHICLE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE 10 11 MOTOR 12 VEHICLE 13 GENERAL 14 COLLATERAL 15 DESCRIPTION REGISTERING AGENT OR 16 CANADIAN SECURITIES REGISTRATION SYSTEMS 17 SECURED PARTY/ ADDRESS 4126 NORLAND AVENUE BCV5G 388 BURNABY LIEN CLAIMANT *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY, ***



DES SÛRETÉS MOBILIÈRES



REPORT : PSSR060

56

2480)

PAGE :

PROVINCE OF ONTARIO MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM

ENQUIRY RESPONSE CERTIFICATE

RUN NUMBER: 093 RUN DATE: 2025/04/03 ID: 20250403125648.86

TYPE OF SEARCH

: BUSINESS DEBTOR

SEARCH CONDUCTED ON : SHAW ALMEX INDUSTRIES LIMITED

FILE CURRENCY

: 02APR 2025

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

509732145 20241002 1004 1462 4119 509732154 20241002 1004 1462 4120 794058615 20230606 1518 6005 7494	
509732154 20241002 1004 1462 4120	
794058615 20230606 1518 6005 7494	
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778885839 20211208 1502 1590 8347 20211208 1735 1590 8408 20211209 1032 1590 8467 20221003 1731 1590 28	301
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774421047 20210714 1627 6005 3610	
773638299 20210618 1837 6005 3043	
769142331 20210111 1606 1624 5671	
768478149 20201210 1604 1624 5531	
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759695688 20200129 1544 1624 2984 20250127 1707 1462 7981	
747686484 20190118 1327 6005 8024	
692594181 20131213 1427 8077 1642	
683016111 20121121 1051 1862 2713 20170327 1731 1590 0391 20171102 1432 1530 1834	
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683016138 20121121 1051 1862 2715 20170320 1541 1590 9975 20170327 1731 1590 0393 20171102 1432 1530 18	336

38 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

V. QUANTONION.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(cifj6 05/2022)



THIS IS **EXHIBIT "O"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann



Report Date: May 02, 2025 Beatrice Lorusso-Taddeo Stikeman Elliott LLP Client Reference: 109679.1015

Order #: 2742309



DEBTOR	STATE	FILING OFFICE	SERVICES	THRU DATE		RESULTS		COPIES
SHAW ALMEX FUSION, LLC	GA	Superior Court Clerks' Cooperative Authority	UCC Search	4/29/2025		10 Financing Statement	S	24
	TYPE	FILE DATE	FILE#	DE	BTOR (as found)	SECURED PARTY	COLLATERAL	
	UCC-1 Initial	1/24/2025	007-2025-003020	SHAW, T	ALMEX FUSION LLC	C T CORPORATION SYSTEM, AS REPRESENTATIVE CORPORATION SERVICE COMPANY, AS		
	UCC-1 Initial	1/9/2025	038-2025-000639	ALMEX FUSION LLC		REPRESENTATIVE		
	UCC-1 Initial	9/16/2020	038-2020-086951	SHAW ALMEX FUSION, LLC		VFI KR SPE I LLC		
	UCC-1 Initial	11/25/2020	038-2020-093930	SHAW ALMEX FUSION, LLC		VFI KR SPE I LLC		
	Termination	10/20/2021	038-2021-030681	SHAW	ALMEX FUSION, LLC	VFI KR SPE I LLC		
	UCC-1 Initial	12/7/2021	038-2021-035973	SHAW ALMEX FUSION, LLC; BRISTO HERRINGTON, INC.		CORPORATION SERVICE COMPANY, AS REPRESENTATIVE		
	Assignment	3/16/2022	038-2022-009261		EX FUSION, LLC; BRISTOL RRINGTON, INC.	VFI KR SPE I LLC		
	UCC-1 Initial	8/30/2022	038-2022-027651		EX FUSION, LLC; BRISTOL RRINGTON, INC.	VFI KR SPE I LLC		
	UCC-1 Initial	3/5/2013	044-2013-00773	SHAW	ALMEX FUSION, LLC	HSBC BANK CANADA		
	Collateral - Delete	1/5/2018	044-2018-000088	SHAW	ALMEX FUSION, LLC	HSBC BANK CANADA		
	Continuation	1/12/2018	044-2018-000199	SHAW	ALMEX FUSION, LLC	HSBC BANK CANADA		
	Continuation	1/13/2023	044-2023-000294	SHAW	ALMEX FUSION, LLC	HSBC BANK CANADA		
	AmendSecured - Change	3/18/2025	044-2025-001565	SHAW	ALMEX FUSION, LLC	ROYAL BANK OF CANADA		
	UCC-1 Initial	9/10/2021	044-2021-005317	SHAW	ALMEX FUSION, LLC	BDC CAPITAL INC.		
	UCC-1 Initial	11/6/2023	044-2023-006329	SHAW	ALMEX FUSION, LLC	PASSAIC RUBER COMPANY		
	UCC-1 Initial	1/2/2025	067-2025-000015	SHAW	ALMEX FUSION, LLC	U.S. STRATEGIC CAPITAL ADVISORS LLC		



45 School Street Suite 202 Boston, MA 02108 P: 866-621-3525

F: 866-625-0841

cogencyglobal.com

5/2/2025

Beatrice Lorusso-Taddeo Stikeman Elliott LLP

Reference: 109679.1015

We have conducted UCC Search regarding the following:

Debtor: SHAW ALMEX FUSION, LLC

Filing Office: Superior Court Clerks' Cooperative Authority, GA

Thru Date: 4/29/2025

Results: 10 Financing Statements

Total Copies: 24

PAGE: 1 278
DATE: 5/2/2025
TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 007-2025-003020 FILED ON: 1/24/2025 13:46 PM PAGES: 1

COUNTY: BARROW

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW ALMEX FUSION LLC 2933 MILLER RD. DECATUR, GA 30035

SECURED PARTY(S)

C T CORPORATION SYSTEM, AS REPRESENTATIVE 330 N BRAND BLVD, SUITE 700; ATTN: SPRS GLENDALE, CA 91203

PAGE: 2 DATE: 5/2/2025 TIME: 11:12

279

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Termination FILE#: 038-2017-019131 FILED ON: 12/7/2017 12:36 PM PAGES: 1

ORIGINAL FILE#: 038-2014-009119 ORIGINAL FILE DATE: 9/30/2014

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION LLC

SECURED PARTY(S)

HSBC BANK USA, N.A.

FILE#: 038-2014-009119

280 PAGE: 3 DATE: 5/2/2025

PAGES: 1

TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

COUNTY: COWETA

FILED ON: 9/30/2014 11:47 AM

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

Original

SHAW ALMEX FUSION, LLC 5051 SNAPFINGER WOODS DRIVE DECATUR, GA 30035

SECURED PARTY(S)

HSBC BANK USA, N.A. ONE HSBC CENTER BUFFALO, NY 14203

281 PAGE: 4 DATE: 5/2/2025

TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 038-2025-000639 FILED ON: 1/9/2025 8:32 AM PAGES: 1

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION LLC 2933 MILLER RD DECATUR, GA 30035

SHAW, TIMOTHY GLEN 2933 MILLER RD DECATUR, GA 30035

SECURED PARTY(S)

CORPORATION SERVICE COMPANY, AS REPRESENTATIVE PO BOX 2576 UCCSPREP@CSCINFO.COM SPRINGFIELD, IL 62708

PAGE: 5 DATE: 5/2/2025 TIME: 11:12

282

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 038-2020-086951 FILED ON: 9/16/2020 14:13 PM PAGES: 1

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION, LLC 323 GLOVER ROAD STONEY CREEK ON L8E 5M2, CAN,

SECURED PARTY(S)

VFI KR SPE I LLC 2800 EAST COTTONWOOD PARKWAY, 2ND FLOOR SALT LAKE CITY, UT 84121

PAGE: 6 283 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Termination FILE#: 038-2021-030681 FILED ON: 10/20/2021 14:27 PM PAGES: 1

ORIGINAL FILE#: 038-2020-093930 ORIGINAL FILE DATE: 11/25/2020

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION, LLC

SECURED PARTY(S)

VFI KR SPE I LLC

PAGE: 7 284 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 038-2020-093930 FILED ON: 11/25/2020 14:02 PM PAGES: 1

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION, LLC 323 GLOVER ROAD STONEY CREEK ON L8E5M2 CAN,

SECURED PARTY(S)

VFI KR SPE I LLC 2800 EAST COTTONWOOD PARKWAY, 2ND FLOOR SALT LAKE CITY, UT 84121

PAGE: 8 285 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Assignment FILE#: 038-2022-009261 FILED ON: 3/16/2022 15:07 PM PAGES: 1

ORIGINAL FILE#: 038-2021-035973 ORIGINAL FILE DATE: 12/7/2021

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION, LLC

SECURED PARTY(S)

VFI KR SPE I LLC 2800 EAST COTTONWOOD PARKWAY, 2ND FLOOR SALT LAKE CITY, UT 84121

PAGE: 9 286 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 038-2021-035973 FILED ON: 12/7/2021 8:52 AM PAGES: 1

COUNTY: COWETA

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DEBTOR(S)

SHAW ALMEX FUSION, LLC 2933 MILLER ROAD DECATUR, GA 30035

BRISTOL HERRINGTON, INC. 2933 MILLER ROAD DECATUR, GA 30035

SECURED PARTY(S)

CORPORATION SERVICE COMPANY, AS REPRESENTATIVE P.O. BOX 2576 UCCSPREP@CSCINFO.COM SPRINGFIELD, IL 62708

FILE#: 038-2022-027651

PAGE: 10 287 DATE: 5/2/2025 TIME: 11:12

PAGES: 1

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

COUNTY: COWETA

FILED ON: 8/30/2022 9:06 AM

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DEBTOR(S)

Original

SHAW ALMEX FUSION, LLC 323 GLOVER ROAD STONEY CREEK ON L8E 5M2, CAN,

BRISTOL HERRINGTON, INC. 2933 MILLER ROAD DECATUR, GA 30035

SECURED PARTY(S)

VFI KR SPE I LLC 2800 EAST COTTONWOOD PARKWAY, 2ND FLOOR SALT LAKE CITY, UT 84121

288 PAGE: 11 DATE: 5/2/2025

TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Amendment FILE#: 044-2025-001565 FILED ON: 3/18/2025 13:45 PM PAGES: 1

ORIGINAL FILE#: 044-2013-000773 ORIGINAL FILE DATE: 3/5/2013

COUNTY: DEKALB

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DEBTOR(S)

Debtor Name Not Required Under Revised Article 9

SECURED PARTY(S)

ROYAL BANK OF CANADA 20 KING STREET WEST TORONTO ON M5H 1C4, CAN,

PAGE: 12 289 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Continuation FILE#: 044-2023-000294 FILED ON: 1/13/2023 15:00 PM PAGES: 1

ORIGINAL FILE#: 044-2013-000773 ORIGINAL FILE DATE: 3/5/2013

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

Debtor Name Not Required Under Revised Article 9

SECURED PARTY(S)

HSBC BANK CANADA

PAGE: 13 290 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Continuation FILE#: 044-2018-000199 FILED ON: 1/12/2018 15:00 PM PAGES: 1

ORIGINAL FILE#: 044-2013-000773 ORIGINAL FILE DATE: 3/5/2013

COUNTY: DEKALB

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DEBTOR(S)

Debtor Name Not Required Under Revised Article 9

SECURED PARTY(S)

HSBC BANK CANADA

PAGE: 14 291 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Amendment FILE#: 044-2018-000088 FILED ON: 1/5/2018 16:42 PM PAGES: 1

ORIGINAL FILE#: 044-2013-000773 ORIGINAL FILE DATE: 3/5/2013

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

Debtor Name Not Required Under Revised Article 9

SECURED PARTY(S)

HSBC BANK CANADA

PAGE: 15 292 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-2013-000773 FILED ON: 3/5/2013 11:03 AM PAGES: 1

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW ALMEX FUSION, LLC 5051 SNAPFINGER WOODS DRIVE DECATUR, GA 30035

SECURED PARTY(S)

HSBC BANK CANADA 271 CORNWALL ROAD, UNIT A102 OAKVILLE ON L6J7Z5, CANADA,

PAGE: 16 293 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-2021-005317 FILED ON: 9/10/2021 14:40 PM PAGES: 1

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW ALMEX FUSION, LLC 323 GLOVER RD. STONEY CREEK ON L8E5M2, CAN,

SECURED PARTY(S)

BDC CAPITAL INC. 148 FULLARTON ST, SUITE 1000 LONDON ON N6A 5P3, CAN,

PAGE: 17 294 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-2023-006329 FILED ON: 11/6/2023 14:36 PM PAGES: 1

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW ALMEX FUSION, LLC 2933 MILLER ROAD DECATUR, GA 30035

SECURED PARTY(S)

PASSAIC RUBER COMPANY 45 DEMAREST DRIVE WAYNE, NJ 07470

PAGE: 18 DATE: 5/2/2025 TIME: 11:12

295

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Termination FILE#: 060-2013-001863 FILED ON: 3/5/2013 10:19 AM PAGES: 1

ORIGINAL FILE#: 060-2012-001909 ORIGINAL FILE DATE: 2/27/2012

COUNTY: FULTON

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

Debtor Name Not Required Under Revised Article 9

SECURED PARTY(S)

1045818 ONTARIO INC.

PAGE: 19 296 DATE: 5/2/2025 TIME: 11:12

PAGES: 1

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

FILE#: 060-2012-001909

COUNTY: FULTON

FILED ON: 2/27/2012 16:00 PM

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

Original

SHAW ALMEX FUSION, LLC 5315 TULANE DRIVE, STE. J ATLANTA, GA 30336

SECURED PARTY(S)

1045818 ONTARIO INC., A COMPANY ORGANIZED UNDER THE PROVINCE OF ONTARIO, CANADA 491 SECOND RD. EAST STONEY CREEK ONTARIO L8J2X9, CANADA,

PAGE: 20 DATE: 5/2/2025 TIME: 11:12

297

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 067-2025-000015 FILED ON: 1/2/2025 11:54 AM PAGES: 1

COUNTY: GWINNETT

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DEBTOR(S)

SHAW ALMEX FUSION, LLC 2933 MILLER ROAD DECATUR, GA 30035

SHAW, TIMOTHY 3725 WICKLOE COURT SNELLVILLE, GA 30039

SECURED PARTY(S)

U.S. STRATEGIC CAPITAL ADVISORS LLC 2604 ABBEY COURT ALPHARETTA, GA 30004

PAGE: 21 298 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-1996-012197 FILED ON: 12/16/1996 14:00 PM PAGES: 5

COUNTY: DEKALB

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DEBTOR(S)

SHAW-ALMEX FUSION CORP. 3519-F CHURCH STREET CLARKSTON, GA 30021

SECURED PARTY(S)

PHOENIXCOR,INC. 65 WATER STREET SOUTH NORWALK, CT 06854

TIME: 11:12

PAGE: 22

DATE: 5/2/2025

299

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-1997-004374 FILED ON: 4/29/1997 10:10 AM PAGES: 1

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW-ALMEX FUSION CORP. 3529-D CHURCH STREET CLARKSTON, GA 30021

SECURED PARTY(S)

SHAW-ALMEX INDUSTRIES LIMITED P.O. BOX 430 PERRY SOUND, ONTARIO CANADA P2A 2X4,

300 PAGE: 23 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

FILE#: 044-2002-001996 **Termination** FILED ON: 4/22/2002 10:30 AM PAGES: 2

ORIGINAL FILE#: 044-1997-004381 ORIGINAL FILE DATE: 4/29/1997

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW-ALMEX FUSION CORP. 3629 D CHURCH ST. CLARKSTON, GA 30021

SECURED PARTY(S)

PHOENIXCOR, INC

TIME: 11:12

DATE: 5/2/2025

PAGE: 24

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CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-1997-004381 FILED ON: 4/29/1997 11:10 AM PAGES: 2

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

SHAW-ALMEX FUSION CORP. 3529 D CHURCH ST. CLARKSTON, GA 30021

SECURED PARTY(S)

PHOENIXCOR, INC. 65 WATER ST. S. NORWALK, CT 06854

GEORGIA UCC INDEXING SYSTEM CERTIFIED SEARCH REPORT REPORT NUMBER: 25516763

SEARCH FROM: 1/1/1995 THROUGH: 4/25/2025

PAGE: 25 302 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Amendment FILE#: 044-1997-008719 FILED ON: 8/27/1997 8:30 AM PAGES: 1

ORIGINAL FILE#: 044-1995-000005 ORIGINAL FILE DATE: 1/5/1995

COUNTY: DEKALB

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DEBTOR(S)

SHAW-ALMEX FUSION CORP. 3519 F. CHURCH STREET CLARKSTON, GA 30021

SECURED PARTY(S)

CHICAGO PNEUMATIC TOOL COMPANY 2200 BLEECKER STREET UTICA, NY 13501

DESCRIPTION

CHICAGO PNEUMATIC TOOL COMPANY: 18800 OVERVIEW DRIVE, ROCK HILL, SC 29730-7463

303 PAGE: 26 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Termination FILE#: 044-1998-011415 FILED ON: 11/23/1998 11:05 AM PAGES: 1

ORIGINAL FILE#: 044-1995-000005 ORIGINAL FILE DATE: 1/5/1995

COUNTY: DEKALB

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DEBTOR(S)

SHAW-ALMEX FUSION CORP. 3519 F. CHURCH STREET CLARKSTON, GA 30021

SECURED PARTY(S)

CHICAGO PNEUMATIC TOOL COMPANY 1800 OVERVIEW DRIVE ROCK HILL, SC 297307463

GEORGIA UCC INDEXING SYSTEM CERTIFIED SEARCH REPORT REPORT NUMBER: 25516763

SEARCH FROM: 1/1/1995 THROUGH: 4/25/2025

PAGE: 27 304 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

Original FILE#: 044-1995-000005 FILED ON: 1/5/1995 8:30 AM PAGES: 1

COUNTY: DEKALB

REQUEST COPIES OF FILINGS FROM GSCCCA BY FAXING YOUR REQUEST TO 404-327-7877.

DEBTOR(S)

WORTHY, BONNIE L 1393 BERKELEY LANE ATLANTA, GA 30329

SECURED PARTY(S)

BENEFICIAL GEORGIA, INC P.O. BOX 283 TUCKER, GA 30085

PAGE: 28 305 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

I, the undersigned officer for the Georgia Superior Court Clerks' Cooperative Authority ("the authority"), do hereby certify that the above listing is a record of all currently effective original financing statements and any subsequent UCC Amendment filings related thereto, and Transitional Filings presented in accordance with the appropriate code section, filed on or after January 1, 1995, which name the above debtor and which are on file in the Authority's UCC Central Indexing System as of 4/25/2025. This certification covers only those UCC statements or Transitional filings filed on or after January 1, 1995, which disclose the exact name set forth above. This certified search report does not provide information on (1) original UCC financing statements filed prior to January 1, 1995; or (2) the real estate records of any Georgia county, including UCC Real Estate Related Filings. DESCRIPTIONS CONTAINED HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE NOT A SUBSTITUTE FOR THE COLLATERAL DESCRIPTION CONTAINED IN THE ACTUAL FINANCING STATEMENTS. Neither the Authority or any of its agents, employees, contractors or independent contractors shall be liable to any person or persons for consequential damages suffered by virtue of reliance upon the above information.

Please note: Requests for certified copies must be submitted to the Clerk of Superior Court where the UCC was filed. Please go to https://ecert.gsccca.org or contact the Clerk's office www.gsccca.org/clerks.

GEORGIA SUPERIOR COURT CLERKS' COOPERATIVE AUTHORITY

EXECUTIVE DIRECTOR

PAGE: 1 306 DATE: 5/2/2025 TIME: 11:12

CERTIFIED SEARCH REPORT REQUESTED FOR NAME: SHAW ALMEX FUSION, LLC

The search information under the above name also revealed the following filings for debtors with the same or similar names. This additional information is not part of the attached certified search report, and therefore is not certified by the Georgia Superior Court Clerks' Cooperative Authority ("the authority"). This additional information may not represent a complete listing of debtor names that may be considered similar to the name under which the search was made. This listing covers UCC statements filed on or after 01/01/1995.

NO RECORDS WERE FOUND FOR THE CERTIFIED SEARCH REQUESTED FOR THE NAME MENTIONED ABOVE.

 B. E-MAIL CONTACT AT SUBMITTER (optional) uccfilingreturn@wolterskluwer.com C. SEND ACKNOWLEDGMENT TO: (Name and Address) 	l				
. SEND ACKNOWLEDGMENT TO: (Name and Address					
)				
Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071	102560284 GAGA				
File with: Barrow, GA SEE BELOW FOR SECURED PARTY CON	TACT INFORMATION	THE ABOVE S	SPACE IS F	OR FILING OFFICE U	SE ONLY
DEBTOR'S NAME: Provide only one Debtor name (1a or name will not fit in line 1b, leave all of item 1 blank, check here 1a. ORGANIZATION'S NAME	<u></u>				
SHAW ALMEX FUSION LLC					
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	CITY		STATE	POSTAL CODE	COUNTRY
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5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions)	being administered by a Decedent's Personal Representative
6a. Check <u>only</u> if applicable and check <u>only</u> one box:	6b. Check only if applicable and check only one box:
Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility	Agricultural Lien Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buye	er Bailee/Bailor Licensee/Licensor
8. OPTIONAL FILER REFERENCE DATA: 102560284	

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 07/01/23)

Prepared by Lien Solutions, P.O. Box 29071, Glendale, CA 91209-9071 Tel (800) 331-3282

5. Check only if applicable and check only one box: Collater	al is held in a Trust	(see UCC1Ad, item 17 and Ins	structions)	being administered by a Dec	edent's Personal Representative
6a. Check only if applicable and check only one box:				6b. Check only if applicable a	and check <u>only</u> one box:
Public-Finance Transaction Manufacture	d-Home Transaction	A Debtor is a Transmi	tting Utility	Agricultural Lien	Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable):	ssee/Lessor	Consignee/Consignor	Seller/Buye	er Bailee/Bailor	Licensee/Licensor
8. OPTIONAL FILER REFERENCE DATA:					3016 14204

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 07/01/23)



UCC FINANCING STATEMENT ADDENDUM

9. N	AME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if lin	e 1b wa	as left blank	1						
Γ	use Individual Debtor name did not fit, check here 9a. ORGANIZATION'S NAME SHAW ALMEX FUSION LLC									
ŀ										
OR -	9b. INDIVIDUAL'S SURNAME									
	FIRST PERSONAL NAME		La							
	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX		THE ABOVI					
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OR -	10b. INDIVIDUAL'S SURNAME									
-	INDIVIDUAL'S FIRST PERSONAL NAME									
ŀ	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)									SUFFIX
0c.	MAILING ADDRESS	CITY				STATE	POSTAL	CODE		COUNTRY
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1c.	MAILING ADDRESS	CITY				STATE	POSTAL	CODE		COUNTRY
tog an "R Inv ma	ADDITIONAL SPACE FOR ITEM 4 (Collateral): gether with all customer lists, books and records, led records, whether now in existence or hereafter ceceivables"); ventory, including without limitation, all goods manuaterials, work in process and finished merchandise sidentals, office supplies, packaging materials and	reate ufact , finc	ed, relating the ured or acquire lings or compo	reto ed fo nen	o (collectivor sale or or material	rely refe lease, s, and	erred h and ar all sup	erein ny pie plies,	after as ce goods	ds, raw
13. [This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)		his FINANCING STATEM			-extracted c	ollateral	□is	s filed as a fi	xture filing
	lame and address of a RECORD OWNER of real estate described in item 16 f Debtor does not have a record interest):		escription of real estate:							



UCC FINANCING STATEMENT ADDENDUM

	ME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if li	ine 1b was left blank	7				
9	se Individual Debtor name did not fit, check here la. ORGANIZATION'S NAME SHAW ALMEX FUSION LLC		-				
OR 9	ib. INDIVIDUAL'S SURNAME						
-	FIRST PERSONAL NAME		-				
	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	THE ABOV	E SPACE I	S FOR FILIN	G OFFICE U	SE ONLY
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	1b. INDIVIDUAL'S SURNAME MAILING ADDRESS	FIRST PERSONAL NAME		ADDITIO	NAL NAME(S)/II		SUFFIX
2. AI	DDITIONAL SPACE FOR ITEM 4 (Collateral): siness of the Grantor or which may contribute to t		t or to the sale				
con acc God	ich Grantor now or at any time hereafter may have nstructive, actual or exclusive occupancy or possecount (collectively referred to hereinafter as "Inver- ods, without limitation, all machinery, equipment, nishings, fixtures and articles of tangible personal	ession of Grantor ontory"); parts, supplies, ap	or is held by Gr oparatus, appli	antor o	r by other tools, fittin	s for Gra	ntor's ture,
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UCC FINANCING STATEMENT ADDENDUM FOLLOW INSTRUCTIONS

NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Stateme because Individual Debtor name did not fit, check here	ent; if line 1b was left blank				
9a. ORGANIZATION'S NAME SHAW ALMEX FUSION LLC					
R 9b. INDIVIDUAL'S SURNAME					
FIRST PERSONAL NAME					
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	THE	ABOVE SPACE I	S FOR FILING OFFICE	USE ONLY
DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor named on not omit, modify, or abbreviate any part of the Debtor's name) and enter the second of the Debtor's name and enter the second of the Debtor's name.					
10a. ORGANIZATION'S NAME					
OR 10b. INDIVIDUAL'S SURNAME					
INDIVIDUAL'S FIRST PERSONAL NAME					
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)					SUFFIX
Oc. MAILING ADDRESS	CITY		STATE	POSTAL CODE	COUNTRY
1. ADDITIONAL SECURED PARTY'S NAME or ASS	 SIGNOR SECURED PAR	TY'S NAME: PI	ovide only <u>one</u> nam	e (11a or 11b)	
11a. ORGANIZATION'S NAME					
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAM	E	ADDITIO	NAL NAME(S)/INITIAL(S)	SUFFIX
Ic. MAILING ADDRESS	CITY		STATE	POSTAL CODE	COUNTRY
2. ADDITIONAL SPACE FOR ITEM 4 (Collateral): or in which Grantor may have or may hereafter a as "Equipment"); General intangibles in which the Grantor now had to, causes of action, corporate or business record trademark registrations and applications therefor, copyright registrations and applications therefor,	s or hereinafter acqu ds, inventions, desig goodwill, trade nam	iires any int ns, patents es, trade se	erest any riç , patent app ecrets, trade	ghts, including but lications, tradema processes, copy	t not limite arks, rights,
3. This FINANCING STATEMENT is to be filed [for record] (or recorded) in REAL ESTATE RECORDS (if applicable)		_	vers as-extracted co	ollateral is filed as a	fixture filing
 Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest): 			vers as exagged of	, is lied as a	TIXCOLO TIMING

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UCC FINANCING STATEMENT ADDENDUM

ecause Individual Debtor name did not fit, check here	g Statement; if line 1	b was left bla	nk						
9a. ORGANIZATION'S NAME SHAW ALMEX FUSION LLC									
9b. INDIVIDUAL'S SURNAME									
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D. DEBTOR'S NAME: Provide (10a or 10b) only one additional D									EICE USE ONLY exact, full name;
do not omit, modify, or abbreviate any part of the Debtor's name) at 10a. ORGANIZATION'S NAME	nd enter the mailing a	address in line	e 10c						
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. ADDITIONAL SECURED PARTY'S NAME or	ASSIGNOF	R SECURE	D PARTY'S	S NAME: Pr	rovide only <u>or</u>	ne name	(11a or 11	b)	
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		CITY			ST.	ATE	FOSTAL	JODE	COUNTR
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	AME OF FIRST DEBTOR: Same as line 1a or 1b on Financing cause Individual Debtor name did not fit, check here	Statement; if line 1b w	as left blank				
	ea. ORGANIZATION'S NAME						
	Shaw Almex Fusion, LLC						
R	9b. INDIVIDUAL'S SURNAME						
	FIRST PERSONAL NAME						
	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX				
				THE ABOVE	SPACE I	S FOR FILING OFFICE	USE ONLY
	DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional D to not omit, modify, or abbreviate any part of the Debtor's name) at			line 1b or 2b of the F	inancing S	tatement (Form UCC1) (use	exact, full nar
	10a. ORGANIZATION'S NAME						
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Oc.	MAILING ADDRESS	CITY			STATE	POSTAL CODE	COUNTRY
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FILING OFFICE COPY = UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad) (Rev. 04/20/11)

		Wednesd File Num Cindy G.		30
JCC FINANCING STATEMENT OLLOW INSTRUCTIONS		Coweta (County Clerk of Supe	rior Court
A. NAME & PHONE OF CONTACT AT FILER (optional) CSC 1-800-858-5294				
B. E-MAIL CONTACT AT FILER (optional)				
SPRFiling@cscglobal.com				
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	_			
2023 84267 CSC 801 Adlai Stevenson Drive				
Springfield II 62703	filed In: Georgia			
(Central Index - C	· ·			
	THE A	BOVE SPACE I	S FOR FILING OFFICE US	SE ONLY
	t, full name; do not omit, modify, or abbrevia ovide the Individual Debtor information in iter			
1a. ORGANIZATION'S NAME Shaw Almex Fusion, LLC				
R 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADI	DITIONAL NAME(S)/INITIAL(S) SUFFIX
c. MAILING ADDRESS 323 Glover Road	Stoney Creek	STA	l l	COUNTRY
DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact				
name will not fit in line 2b, leave all of item 2 blank, check here and proceed and procee	ovide the Individual Debtor information in iter	n 10 of the Financi	ng Statement Addendum (For	n UCC1Ad)
R				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADI	DITIONAL NAME(S)/INITIAL(S) SUFFIX
c. MAILING ADDRESS	CITY	ST/	TE POSTAL CODE	COUNTRY
SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR	SECURED PARTY): Provide only one Secur	red Party name (3a	or 3b)	
3a. ORGANIZATION'S NAMEVF KR SPE LLC	,	- ,		
R 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADI	DITIONAL NAME(S)/INITIAL(S) SUFFIX
MAILING ADDRESS 2800 East Cottonwood Parkway, 2 loor	2nd CITY Salt Lake City	ST <i>F</i>		COUNTRY
COLLATERAL: This financing statement covers the following collateral: Any and all goods, chattels, fixtures, equipment, property of every kind wherever located in which				gibies and
	Trust (see UCC1Ad, item 17 and instructions		inistered by a Decedent's Pen	
a. Check <u>only</u> if applicable and check <u>only</u> one box:		6b. Check	only if applicable and check o	nly one box:
	n A Debtor is a Transmitting Utility	6b. Check	only if applicable and check o	

		Wedn File N Cindy	D & RECORDED lesday, October 20, 2021 Jumber: 038-2021-03068 v G. Brown	1
UCC FINANCING STATEMENT AMENI FOLLOW INSTRUCTIONS	DMENT	Cowe	ta County Clerk of Super	ior Court
A. NAME & PHONE OF CONTACT AT FILER (optional) CSC 1-800-858-5294				
B. E-MAIL CONTACT AT FILER (optional) SPRFiling@cscglobal.com		_		
C. SEND ACKNOWLEDGMENT TO: (Name and Address)				
2203 54384 CSC 801 Adlai Stevenson Drive				
Springfield, IL 62703	Filed In: Georgia			
	(Coweta)	THE ABOVE SPA	CE IS FOR FILING OFFICE USI	E ONLY
1a. INITIAL FINANCING STATEMENT FILE NUMBER 038-2020-093930 11/25/2020			MENT AMENDMENT is to be filed [for	
U38-2020-093930 11/25/2020 2. TERMINATION: Effectiveness of the Financing Statement id	lentified above is terminated	Filer: attach Amendment Add	lendum (Form UCC3Ad) <u>and</u> provide Del	
Statement		roupout to the society interes	so sociou i any aumonizing ti	Tormination
 ASSIGNMENT (full or partial): Provide name of Assignee in For partial assignment, complete items 7 and 9 and also indica 			f Assignor in item 9	
CONTINUATION: Effectiveness of the Financing Statement continued for the additional period provided by applicable law	t identified above with respec	t to the security interest(s) of Secu	ured Party authorizing this Continua	ition Statement is
5. PARTY INFORMATION CHANGE:	ID Obereli en refabrer Abres h			
Check one of these two boxes: This Change affects Debtor or Secured Party of record	ID Check one of these three b CHANGE name and/or item 6a or 6b; and item		ne: Complete item DELETE name and item 7c DELETE name	e: Give record na n item 6a or 6b
6a. ORGANIZATION'S NAMES haw Almex Fusion, LL	rmation Change - provide only			
OR 6b. INDIVIDUAL'S SURNAME	FIRST PERSON	NAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
7. CHANGED OR ADDED INFORMATION: Complete for Assignment of Ta. ORGANIZATION'S NAME	or Party Information Change - provide	only <u>one</u> name (7a or 7b) (use exact, full na	me; do not omit, modify, or abbreviate any par	t of the Debtor's name
OR 7b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
7c. MAILING ADDRESS	CITY		STATE POSTAL CODE	COUNTRY
COLLATERAL CHANGE: Also check one of these four boxe	s: ADD collateral	DELETE collateral	ESTATE covered collateral	ASSIGN collate
Indicate collateral:	_		_	
NAME OF SECURED PARTY OF RECORD AUTHORIZIT If this is an Amendment authorized by a DEBTOR, check here	NG THIS AMENDMENT: and provide name of authorizi		ame of Assignor, if this is an Assignr	nent)
9a. ORGANIZATION'S NAMEVFI KR SPE I LLC	and provide frame of authorizing	9 5 00.01		
	I	NAI NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
9b. INDIVIDUAL'S SURNAME	FIRST PERSON			
9b. INDIVIDUAL'S SURNAME 0. OPTIONAL FILER REFERENCE DATA:SHIL001 Debt				2203 543

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	NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if because Individual Debtor name did not fit, check here	line 1	was left blank						
	9a. ORGANIZATION'S NAME			1					
	Shaw Almex Fusion, LLC			ł					
ıR	9b. INDIVIDUAL'S SURNAME								
	FIRST PERSONAL NAME			1					
	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX	1	THE ABOVE	SDACE I	e eod eii	ING OFFICE I	ISE ONI V
).	DEBTOR'S NAME: Provide (10a or 10b) only <u>one</u> additional Debtor name or do not omit, modify, or abbreviate any part of the Debtor's name) and enter the m								
	10a. ORGANIZATION'S NAME								
R	10b. INDIVIDUAL'S SURNAME								
	INDIVIDUAL'S FIRST PERSONAL NAME								
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)								SUFFIX
JC	L. MAILING ADDRESS	CITY				STATE	POSTAL C	ODE	COUNTRY
	ADDITIONAL SECURED PARTY'S NAME OF ASSIGNO	DR S	ECURED PARTY	"S NA	ME: Provide	only <u>one</u> na	L ame (11a or	11b)	
R	11b. INDIVIDUAL'S SURNAME	FIRS	T PERSONAL NAME			ADDITIO	NAL NAME(S)INITIAL(S)	SUFFIX
C.	MAILING ADDRESS	CIT				STATE	POSTAL C	ODE	COUNTRY
_	ADDITIONAL SPACE FOR ITEM 4 (Collateral):								
4 _ا	ADDITIONAL SPACE FOR ITEM 4 (Collateral): HIS TRANSACTION TO BE A TRUE LEASE. LESS ND PERSONAL PROPERTY, IT IS OWNED BY LE EASE IS DEEMED TO BE A SECURED TRANSAC NTEREST GRANTED.	SS	OR AND LEAS	ED	TO LESS	EE. IN	THE EV	/ENT THA	T THE
4 _ا	ND PERSONAL PROPERTY, IT IS OWNED BY LE EASE IS DEEMED TO BE A SECURED TRANSAC ITEREST GRANTED. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the	SS	OR AND LEAS	GIS	TO LESS INTEND	EE. IN	THE EV	/ENT THA	T THE SECURIT
A_I N 5.	ND PERSONAL PROPERTY, IT IS OWNED BY LE EASE IS DEEMED TO BE A SECURED TRANSAC ITEREST GRANTED. This FINANCING STATEMENT is to be filled [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable) Name and address of a RECORD OWNER of real estate described in item 16	SS TIC	OR AND LEAS N, THIS FILIN	G IS	TO LESS INTEND	EE. IN	THE E\	/ENT THA	T THE SECURI
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FILING OFFICE COPY — UCC FINANCING STATEMENT ADDENDUM (Form UCC1Ad) (Rev. 04/20/11)

		W F		CORDED March 16, 2022 3:0 038-2022-009261	07:22 PM
UCC FINANCING STATEMENT AMEND FOLLOW INSTRUCTIONS	MENT	C	oweta Cour	nty Clerk of Superi	or Court
A. NAME & PHONE OF CONTACT AT FILER (optional) CSC 1-800-858-5294]			
B. E-MAIL CONTACT AT FILER (optional) SPRFiling@cscglobal.com					
C. SEND ACKNOWLEDGMENT TO: (Name and Address) 2286 03340 CSC 801 Adlai Stevenson Drive Springfield, IL 62703	Filed In: Georgia (Coweta)				
1a. INITIAL FINANCING STATEMENT FILE NUMBER 038-2021-035973 12/07/2021			ATEMENT AME	R FILING OFFICE USE NDMENT is to be filed [fo RECORDS	
2. TERMINATION: Effectiveness of the Financing Statement idea	ntified above is terminated v	Filer: attach Amendme	nt Addendum (For	m UCC3Ad) <u>and</u> provide Debi	
Statement B. ASSIGNMENT (full or partial): Provide name of Assignee in it			ame of Assignor	in item 9	
For partial assignment, complete items 7 and 9 <u>and</u> also indicate CONTINUATION: Effectiveness of the Financing Statement is continued for the additional period provided by applicable law			f Secured Party	authorizing this Continuat	ion Statement is
This Change affects Debtor or Secured Party of record CURRENT RECORD INFORMATION: Complete for Party Inform	Check one of these three be CHANGE name and/or item 6a or 6b; and item nation Change - provide only	address: Complete 7a or 7b <u>and</u> item 7c 7a one name (6a or 6b)	D name: Comple or 7b, <u>and</u> item 7d	te item DELETE name: c Deleted in	
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This Change affects Debtor or Secured Party of record 3. CURRENT RECORD INFORMATION: Complete for Party Inform 6a. ORGANIZATION'S NAMECORPORATION SERVIC 6b. INDIVIDUAL'S SURNAME 7. CHANGED OR ADDED INFORMATION: Complete for Assignment or 7a. ORGANIZATION'S NAMEVFI KR SPE I LLC OR 7b. INDIVIDUAL'S SURNAME INDIVIDUAL'S FIRST PERSONAL NAME INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) 7c. MAILING ADDRESS 2800 East Cottonwood Parkwa Floor	CHANGE name and/or tem 6a or 6b; and item nation Change - provide only CE COMPANY, A: FIRST PERSON Party Information Change - provide ay, 2nd CITY Salt Lake	address: Complete 7a or 7b and Item 7c	ADDITION STATE UT	NAL NAME(SylINITIAL(S) nit, modify, or abbreviate any part	SUFFIX SUFFIX SUFFIX COUNTRY USA
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FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 04/20/11)

JCC FINANCING STATEMENT	013 0 0 7 7 3		3 HAR -5 AM RK OF SUPERIO EKALB COUNT	11: 03
Return To: David Holcomb 900 Old Roswell Lakes Parkway Ste 310 Roswell, GA 30076	THE ABOVE S	SPACE IS FO	R FILING OFFICE USE	ONLY
1. DEBTOR S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b)	do not abbreviate or combine names			
13 ORGANIZATIONS NAME				
Shaw Almex Fusion, LLC	FIRST NAME	MIDDLE	HA!ME	SUFFIX
TE MAUNO ACORESS	€त∀	STATE	POSTAL CODE	COUNTRY
5051 Snapfinger Woods Drive	Decatur	GA	30035	USA
Not Applicable ADDLINFORE TYPE OF ORGANIZATION ORGANIZATION LLC	TO JURISDICTION OF ORGANIZATION	19 CRG	NIZATIONALIDIR Pary 1857	/CM
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only gre de-	btor name (2a or 2b) - do not abbreviate or comb	ne names		
23 ORGANIZATIONS NAVE				
OR 26 INDIVIDUAL'S LAST MANS	FIRST NAME	MIDDLE	NAME	SUFFIX
to the theory of the training				
2c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
d <u>SEEINSTRUCTIONS</u> ACDLINFO RE 2º TYPE OF ORGANIZATION ORGANIZATION	PRINCIPATION OF GROAVIZATION	2g ORG	ANGZATIONAL CH. Hany	
Not Applicable DESTOR	ļ	١		Nor.
 SECURED PARTY'S NAME (a) NAME of TOTAL ASSIGNED (rass SNDRSP) (3) ORGANIZATIONS NAVE 	-insertionly <u>one</u> secured party number 3aor 3b)			
HSBC Bank Canada				
OR 35 BIDIVIDUAL'S LAST NAME	FIRST NAME	MICOLE	NAME	SUFFIX
RE MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
271 Cornwall Road, Unit A102	Oakville	ON	L6J 7Z5	Canada
4. The Financing StateMent covers the following collateral: See attached Schedule No. I				

5. ALTERNATIVE DESIGNATION Lapplicable) LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR SELLER/BUY	ER AG LIEN NON-UCCFILING
6. This FAANCING STATEMENT is to be filed (for record) (or recorded) ESTATE RECORDS. Affact Addendum.	in the REAL 7, Check to REC [* applicable] (ADDITIONAL	SUEST SEARCH REPORT(S) on Debtor(s SEEL (optional)	All Debtors Debtor 1 Debtor 2
8. OPTIONAL FILER REFERENCE DATA			
GA State			

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILED

0 4 4 2013 0 0 7 7 3 CTY# YEAR UCC#

Schedule No. 1

2013 MAR -5 AM 11: 03

CLERK OF SUPERIOR COURT DEKALB COUNTY GA

The Debtor hereby grants to the Secured Party, by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Personal Property including, without limitation, all Goods (including all parts, accessories, anachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Deposit Accounts, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and investment Property now or hereafter owned or acquired by or on behalf of the Debtor and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called the "Collateral") including without limitation, all of the following now or hereafter owned or acquired by or on behalf of the Debtor:

(i) all inventory of whatever kind and wherever situate;

(ii) all Equipment of whatever kind and wherever shaate including, without limitation, all machinery,

tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;

(iii) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;

(iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or Instruments or by which such are or may

hereafter be secured, evidenced, acknowledged or made payable;

(v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights and other intellectual property and General Intangibles;

(vi) all monies other than trust monies lawfully belonging to others; and

(vii) all property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind.

FILED & RECORDED Friday, January 5, 2018 4:42:29 PM File Number: 044-2018-000088 Debta DeBerry Dekalb Country Clerk of Superior Court File Number: 044-2018-000088 Debta DeBerry Dekalb Country Clerk of Superior Court File Number: 044-2018-000088 Debta DeBerry Dekalb Country Clerk of Superior Court File Number: 044-2018-000088 Debta DeBerry Dekalb Country Clerk of Superior Court File Number: 044-2018-000088 Debta DeBerry Dekalb Country Clerk of Superior Court File Number: 044-2018-000088 THE AROVE SPACE IS FOR FILING OFFICE USE ONLY SPRINGFIELD, ILLINOIS 62703 THE AROVE SPACE IS FOR FILING OFFICE USE ONLY 19. INITIAL FIRST-ISSUED OF STATEMENT FILE NUMBER ### ### AROVE SPACE IS FOR FILING OFFICE USE ONLY 19. INITIAL FIRST-ISSUED OF STATEMENT FILING OFFICE USE ONLY 19. INITIAL FIRST-ISSUED OF STATEMENT FILING OFFICE USE ONLY 19. INITIAL FIRST-ISSUED OF STATEMENT FILING OFFICE USE ONLY 19. INITIAL FIRST-ISSUED OF STATEMENT FILING OFFICE USE ONLY 19. 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Glenn (770) 434-6868 E. MANIO ENTACT AT FILER (optional) MICROPHICAL STATEMENT FILE NUMBER MICROPHICAL STATEMENT FILE NUMBER OF CORPORATION SERVICE COMPANY 901 ADJAL STEVENSON DRIVE SPRINGFIELD, ILLINOIS 62703 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY 18. INITIAL FINANCING STATEMENT FILE NUMBER MO44201300773 filed March 5, 2013 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY 18. INITIAL FINANCING STATEMENT FILE NUMBER MO44201300773 filed March 5, 2013 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY 18. INITIAL FINANCING STATEMENT FILE NUMBER MO44201300773 filed march 5, 2013 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY 18. INITIAL FINANCING STATEMENT FILE NUMBER MO44201300773 filed march 5, 2013 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY 18. INITIAL FINANCING STATEMENT FILE NUMBER MO44201300773 filed March 5, 2013 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY 18. 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Indicate collateral: The real property described in Exhibit "A" attached hereto and incorporated herein by reference. In NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (3e of 9b) (name of Assignor, if this is an Assignment) if this is an Amendment authorized by a DEBTOR, check here and provide name of authorizing Debtor Se. ORGANIZATIONS NAME HSBC Bank Canada Se. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFF	The real property described in Exhibit "A" attached hereto and incorporated herein by reference. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (Se or 50) (name of Assignor, if this is an Assignment) if this is an Amendment authorized by a DESTOR, check nere and provide name of authorizing Debtor So, ORGANIZATIONS NAME HSBC Bank Canada 9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(SIGNITIAL(S) SUFFIX	The real property described in Exhibit "A" attached hereto and incorporated herein by reference. 2. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (Se or 50) (name of Assignor, if this is an Assignment) if this is an Amendment authorized by a DEBTOR, check here and provide name of authorizing Debtor So. ORCANIZATION'S NAME	NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (90 or 95) (name of Assignor, if this is an Assignorant) if this is an Amendment authorized by a DESTOR, check nere and provide name of authorizing Debtor So. ORGANIZATION'S NAME HABC Bank Canada Ph. INDIVIDUAL'S SURNAME ADDITIONAL NAME(S)INITIAL(6) SUPFIX	6. (2 Th	indicate consterations in the control of the contro	attached here B THIS AMENDME! provide name of author	NT: Provide only one name	ated herein by ref	erence.	
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EXHIBIT "A"

RELEASED PROPERTY

ALL THAT TRACT or parcel of land lying and being in Land Lots 9 and 24 of the 16th District of DeKalb County, Georgia, being more particularly described as Tract 1A, containing 14.946 acres, on that certain plat of survey for Shaw DeKalb Properties, LLC, as more particularly depicted on a plat recorded in Plat Book 246, Pages 13 and 14, Records of DeKalb County, Georgia, which plat is incorporated herein by reference hereto.

Common Address: 2933 Miller Road, Decatur, DeKalb County, Georgia 30035

Tax Parcel No.: 16-024-07-002

01086501-2 FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11) 33436133v1

FILED 01/12/2018 3:00pm Clerk of Superior Court DeKalb County UCC Number 0442018000199 UCC FINANCING STATEMENT AMENDMENT **FOLLOW INSTRUCTIONS** A. NAME & PHONE OF CONTACT AT FILER (optional) -B. E-MAIL CONTACT AT FILER (optional) C. SEND ACKNOWLEDGMENT TO: (Name and Address) CSC 453 Hardy Ives Lane Lawrenceville, GA 30045 THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY b. This FINANCING STATEMENT AMENDMENT IS to be filed (for record) 18. INITIAL FINANCING STATEMENT FILE NUMBER (or recorded) in the REAL ESTATE RECORDS Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in Item 13 044 2013 00773 2. TERMINATION: Effectiveness of the Financing Statement Identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement 3. ASSIGNMENT (tull or partial): Provide name of Assignee in Item 7a or 7b, and address of Assignee in Item 7c and name of Assignor in Item 9 For partial assignment, complete items 7 and 9 and also indicate affected coll 4. ONTINUATION: Effectiveness of the Financing Statement Identified above with respect to the security Interest(s) of Socured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law 6. PARTY INFORMATION CHANGE: AND Check and of these three boxes to: Check one of these two boxes: CHANGE name and/or address: Complete Complete item DELETE name: Give record name item 6a or 6b; and item 7a or 7b and item 7c to be deleted in item 6a or 6b. This Change affects Debter or Secured Party of record 6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b) 6a. ORGANIZATION'S NAME 86. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) 7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only good name (7s or 7b) (use exact, Mil name; do not cmit, modify, or alterovise) any sand of the Obtion's name) 7a, ORGANIZATIONS NAME OR 75. INDIVIDUAL'S SURNAME INDIVIDUAL'S FIRST PERSONAL NAME SUFFIX INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) 7c, MAILING ADDRESS CITY POSTAL CODE COUNTRY DELETE collateral RESTATE covered collateral . ASSIGN collateral 8, COLLATERAL CHANGE: Also check one of these four boxes: ADD collateral 9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only and name (So or 9b) (name of Assignor, if this is an Assignment) If this is an Amendment authorized by a DEBTCR, check here 🔲 and provide name of authorizing Debtor Sp. ORGANIZATIONS NAME **HSBC BANK CANADA** OR ADDITIONAL NAME(S)/INITIAL(S) SUFFIX 9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME 10, OPTIONAL FILER REFERENCE DATA: DEKALB GA - Shaw Almex Fusion, LLC (207871-657) International Association of Commercial Administrators (IACA) FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11)

10. OPTIONAL FILER REFERENCE DATA:

Georgia Superior Court Clerks' Cooperative Authority - Shaw Almex Fusion, LLC

International Association of Commercial Administrators (IACA)

FIRST PERSONAL NAME

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11)

SUFFIX

	FILED & RECORDED Tuesday, March 18, 2025 1:45:22 PM File Number: 044-2025-001565 Debra DeBerry
UCC FINANCING STATEMENT AMENDMENT FOLLOW INSTRUCTIONS	DeKalb County Clerk of Superior Court
A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)	
B. E-MAIL CONTACT AT SUBMITTER (optional)	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Martin D. Rice, Dentons US LLP 4520 Main, Suite 1100 Kansas City, MO 64111	
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION	THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY
1a. INITIAL FINANCING STATEMENT FILE NUMBER 044-2013-00773 (03/05/2013)	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13.
2. TERMINATION: Effectiveness of the Financing Statement identified above is termin	ted with respect to the security interest(s) of Secured Part(y)(ies) authorizing this Termination Statement
ASSIGNMENT: Provide name of Assignee in item 7a or 7b, and address of Assigne For partial assignment, complete items 7 and 9; check ASSIGN Collateral box in Item 6.	
4. CONTINUATION: Effectiveness of the Financing Statement identified above with readditional period provided by applicable law	spect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the
PARTY INFORMATION CHANGE: Check one of those two boxes: AND Check one of the control of t	
	ame and/or address: Complete b; and item 7a or 7b and item 7c ADD name: Complete item DELETE name: Give record name 7a or 7b, and item 7c to be deleted in item 6a or 6b
HSBC Bank Canada	
6b. INDIVIDUAL'S SURNAME FIF	ST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
7a. ORGANIZATION'S NAME	e - provide only <u>one</u> name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)
OR Royal Bank of Canada 75. INDIVIDUAL'S SURNAME	
INDIVIDUAL'S FIRST PERSONAL NAME	
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
7c. MAILING ADDRESS 20 King Street West	oronto STATE POSTAL CODE COUNTRY CON M5H 1C4 CAN
8. COLLATERAL CHANGE: Check only one box: ADD coll	Resistant Resistant
Indicate collateral: *Check ASSIGN	COLLATERAL only if the assignee's power to amend the record is limited to certain collateral and describe the collateral in Section 8
9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMEND If this is an Amendment authorized by a DEBTOR, check here and provide name of	
99. ORGANIZATION'S NAME HSBC Bank Canada	
OR 9b. INDIVIDUAL'S SURNAME FIF	ST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
10. OPTIONAL FILER REFERENCE DATA: Goografia Supportor Court Clarks' Cooperative	Authority Shaw Almoy Eugion 11.0
Georgia Superior Court Clerks' Cooperative A	

https://search.gsccca.org/Imaging/HTML5 Viewer.aspx?id=7976320&key1=0442025001565&key2=7976320&county=44&countyname=DEKALB&useri...

JCC FINANCING STATEMENT		Friday, S File Num Debra De	E RECORDED eptember 10, 202 aber: 044-2021-00 eBerry County Clerk of So	95317
OLLOW INSTRUCTIONS A. NAME & PHONE OF CONTACT AT FILER (optional)				
B. E-MAIL CONTACT AT FILER (optional)				
C. SE	<u> </u>			
Return to: David Holcomb	71			
900 Old Roswell Lakes Pkwy				
Suite 310				
Roswell, GA 30076	, II			
to the spanners of the state of			OR FILING OFFICE USE	
DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, name will not fit in line 1b. leave all of item 1 blank, check here and provide CRGANIZATION'S NAME	full name; do not omit, modify, or abbreviate a ride the Individual Debtor information in item 1	any part of the Debto 0 of the Financing S	or's name); if any part of the tatement Addendum (Form t	Individual Debtor's JCC1Ad)
Shaw Almex Fusion, LLC	EIDOT DEDOMAL NAME	Lappitze	Date Liebbrion during to	
The second secon	FIRST PERSONAL NAME	ADDITE	ONAL NAME(S)/INITIAL(S)	SUFFIX
c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
323 Glover Rd.	Stoney Creek	ON	L8E 5M2	CAN
SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SI 3a. ORGANIZATION'S NAME BDC Capital Inc.				COUNTRY
3b. (NDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIO	DNAL NAME(S)/INITIAL(S)	SUFFIX
MAILING ADDRESS 148 Fullarton St, Suite 1000	CITY	STATE	POSTAL CODE N6A 5P3	CAN
. COLLATERAL: This financing statement covers the following collateral: Ill right, title and interest in and to all personal properate ereafter created, acquired or arising.	erty and fixtures of the Debto	or, whether no	ow owned or existi	ng or
. Check only if applicable and check only one box: Collateral is held in a Tr a. Check only if applicable and check only one box; Public-Finance Transaction Manufactured-Home Transaction	ust (see UCC1Ad, item 17 and Instructions) A Debtor is a Transmitting Utility	6b. Check only	ared by a Decedent's Person if applicable and check only	one box;
ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor			ftural Lien Non-UCC	Filing see/Licensor

UCC FINANCING STATEMENT FOLLOW INSTRUCTIONS		Monday File Nu Debra I	y, No mber DeBe	ECORDED vember 6, 2023 2:3 : 044-2023-006329 rry nty Clerk of Superior	
A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)					
B. E-MAIL CONTACT AT SUBMITTER (optional)	307133-1				
C. SEND ACKNOWLEDGMENT TO: (Name and Address)					
CSC 801 Adlai Stevenson Drive Springfield, IL 62703					
SEE BELOW FOR SECURED PARTY CONTACT INFOR	MATION THE	ABOVE SPACE	IS FC	R FILING OFFICE USE	ONLY
 DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, 1 not fit in line 1b, leave all of item 1 blank, check here 	ull name; do not omit, modify, or abbreviate a ovide the Individual Debtor information in item				al Debtor's name w
1a. ORGANIZATION'S NAME					
OR Shaw Almex Fusion, LLC 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	A	DDITIO	NAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	8	TATE	POSTAL CODE	COUNTRY
2933 Miller Road	Decatur		GΑ	30035	USA
2a. ORGANIZATION'S NAME	vide the Individual Debtor information in item				LOUISEIX
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	A	DDITIO	NAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	S	TATE	POSTAL CODE	COUNTRY
3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SE	CURED PARTY): Provide only one Secured	d Party name (3a or	3b)		
3a. ORGANIZATION'S NAME Passaic Ruber Company					
OR 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	Al	DDITIO	NAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	S	TATE	POSTAL CODE	COUNTRY
45 Demarest Drive	Wayne	١	۱J	07470	USA
Berstorf Rotocure (60" x 86") (Unit KA8 number 89761 issued by Shaw Almex I and all proceeds and products of each foregoing, all supporting obligations relareplacements for, and rents, profits and proceeds of any insurance, indemnity, time to time with respect to any of the foregoing.	ndustries Ltd. to Secur of the foregoing, all bo ated thereto, and all ac products of, each of the warranty or guaranty p	red Party, oks and re ccessions he foregoi ayable to	dat ecor to, s ng, the	ed December 2 ds relating to t substitutions ar and any and a Debtor Parties	28, 2021, he nd II

		File Numbe Tiana P. Ga	anuary 2, 2025 11:54 r: 067-2025-000015 rner	
UCC FINANCING STATEMENT FOLLOW INSTRUCTIONS		Gwinnett C	ounty Clerk of Super	nor Court
A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)				
B. E-MAIL CONTACT AT SUBMITTER (optional)				
C. SEND ACKNOWLEDGMENT TO: (Name and Address)				
,				
Adams and Reese LLP 1018 Highland Colony Parkway, Suit	te 800			
Ridgeland, MS 39157				
SEE BELOW FOR SECURED PARTY CONTACT INF	EORMATION			
DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use ex.	I HE A		OR FILING OFFICE USE	
	d provide the Individual Debtor information in item 10			Debtor 5 name w
1a. ORGANIZATION'S NAME Shaw Almex Fusion, LLC				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIO	ONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2933 Miller Road	Decatur	GA	30035	USA
2b. INDIVIDUAL'S SURNAME Shaw 2c. MAILING ADDRESS 3725 Wickloe Court 3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNO 3a. ORGANIZATION'S NAME U.S. Strategic Capital Advisors LLC 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME Timothy CITY Snellville R SECURED PARTY): Provide only one Secured I	STATE GA Party name (3a or 3b)	POSTAL CODE 30039	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2604 Abbey Court 4. COLLATERAL: This financing statement covers the following collateral:	Alpharetta	GA	30004	USA
All assets of Debtor, whether presently existing the individual control in the control control in the control		anca, ana wiic	rever located, more	ading, but
accounts, documents (including negotiable of general intangibles (including payment intangintellectual property and proprietary rights of notes), inventory (including all goods held for including returns and repossessions), investic credit rights, money, and all of Debtor's book and equipment containing said books and reand (b) any and all cash proceeds and/or noncas	gibles, software, trademarks, c Debtor), goods (including fixtu r sale or lease or to be furnishe ment property (including securi as and records with respect to a cords, website, brands, tradem	ng all accession opyrights, pateres), instrument under a conties and securany of the foremarks, URL's a being administ	ons and additions to ents and any and a nts (including promoteract of service, an ities entitlements), going, and the commond molds for manu	hereto), ill other dissory d letter of aputers facturing;
accounts, documents (including negotiable of general intangibles (including payment intangintellectual property and proprietary rights of notes), inventory (including all goods held for including returns and repossessions), investicated trights, money, and all of Debtor's book and equipment containing said books and reand (b) any and all cash proceeds and/or noncast	ocuments), equipment (including gibles, software, trademarks, conceptor), goods (including fixturent sale or lease or to be furnished ment property (including securits and records with respect to a cords, website, brands, trademarks proceeds of any of the foreginal a Trust (see UCC1Ad, item 17 and Instructions)	ng all accessic opyrights, pateres), instrument dunder a conties and securary of the foremarks, URL's a oing.	ons and additions tents and any and a nts (including prom tract of service, an ities entitlements), going, and the comnd molds for manu	hereto), ill other dissory d letter of puters facturing;

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 07/01/23)

THIS IS **EXHIBIT "P"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

October 31, 2024

PRIVATE & CONFIDENTIAL

Shaw-Almex Industries Limited 17 Shaw Almex Drive Parry Sound, ON P2A 2X4

Attention:

Mr. Tim Shaw, President

Dear Sir:

Forbearance Agreement

We refer to the amended and restated facility letter dated January 27, 2023, as amended by a first amendment agreement dated March 26, 2024 (as amended, the "Facility Letter") issued by Royal Bank of Canada (as successor by amalgamation between HSBC Bank Canada and Royal Bank of Canada on or about March 29, 2024, the "Bank") in favour of Shaw-Almex Industries Limited (the "Borrower"), pursuant to which the Bank established certain credit facilities for the Borrower, which are guaranteed by each of the undersigned guarantors named therein (collectively, the "Guarantors"). All capitalized terms used herein and not otherwise defined have meaning given thereto in the Facility Letter.

Events of Default

As you are aware, as of October 30, 2024, the Borrower has exceeded the Operating Loan Facility limit by CAD 431,829 (the "Excess Advance Default").

In addition:

- (i) a certificate of covenant compliance for the fiscal quarters ended March 31, 2024 (due May 15, 2024) and June 30, 2024 (due August 14, 2024) have not been delivered to the Bank [FL paragraph 7(a)(v) and 7(b)(i)];
- (ii) an updated monthly cash flow forecast for the 12 month period commencing on June 30, 2024 has not been delivered to the Bank (due August 14, 2024) [FL paragraph 7(b)(iv);
- (iii) a list of all account debtors, and amounts owing, of each of Fonmar Group, S.L. and Shaw Almex Europe B.V. as at the last date of the fiscal quarter ended June 30, 2024 has not been delivered to the Bank (due July 30, 2024) [FL paragraph 7(c)];
- (iv) the *pro forma* financial statements, cash flow forecast and budget for the fiscal year ended December 31, 2024 (by month) of the Borrower and the Guarantors on a consolidated basis have not been delivered to the Bank (due April 29, 2024) [FL paragraph 7(d)(ii)];
- (v) the audited financial statements of the Borrower for the fiscal year ended December 31, 2023 have not been delivered to the Bank (due May 29, 2024) [FL paragraph 7(e)(i)]:
- (vi) the audited financial statements of the Borrower and each of its direct and indirect wholly-owned subsidiaries, on a consolidated basis, for the fiscal year ended December 31, 2023 have not been delivered to the Bank (due May 29, 2024) [FL paragraph 7(e)(iii)];

- (vii) the interim internally prepared financial statements (including income statement and balance sheet) for the Borrower and Guarantors on a consolidated basis, as well as consolidated workbook which includes the financial results of the Borrower and Guarantors for the fiscal quarter ended June 30, 2024 were not delivered to the Bank until October 23, 2024 (due August 15, 2024) [FL paragraph 7(b)(ii)];
- (viii) the Borrower is obligated to maintain the financial covenants contained in paragraphs 6(a)(i), 6(a)(ii) and 6(a)(iii) of the Facility Letter (for greater certainty, set out below) on a monthly and fiscal quarter basis and has (a) breached its financial covenants for the fiscal quarter ended December 31, 2023, and (b) failed to show compliance with the financial covenants by failing to deliver executed certificate of covenant compliance for the month ended January 31, 2024, and each month thereafter until September 30, 2024 and, accordingly, the Borrower is deemed to be in default [FL paragraph 7(a)(v) and 7(b)(i)]:
 - 6(a)(i) the Debt to TNW ratio of the Borrowers and Guarantors (on a consolidated basis) not to exceed 2.5:1.00;
 - 6(a)(ii) the ratio of current assets to current liabilities of the Borrowers and Guarantors (on a consolidated basis) not to be less than 1.25:1.00; and
 - 6(a)(iii) the Debt Service Coverage of the Borrowers and Guarantors (on a consolidated basis) not to be less than 1.15:1.00;
- the margin calculation data for the month ending August 31, 2024 (the "August 2024 Margin Calculation") was not delivered to the Bank until October 24, 2024 (due September 30, 2024) [FL paragraph 7(a)(v)]; and
- the August 2024 Margin Calculation indicates borrowings in the aggregate amount of CAD 15,938,731.59 and USD 61,711.16 and an actual margin of CAD 11,539,253 resulting in a short-margin position, which is continuing.

The Excess Advance Default and each of the defaults enumerated in (i) through (x) above, are hereinafter collectively referenced as the "**Defaults**".

The ongoing Defaults entitle the Bank to no longer permit any further borrowings under the Operating Loan Facility, or otherwise under the Facility Letter. The Bank has not waived, and does not waive, the foregoing Defaults and reserves its rights and remedies in relation thereto.

Acknowledgement of Debt

The Borrower acknowledges that as at October 30, 2024, it was indebted and liable to the Bank in the principal amount of CAD 14,933,569.77 and USD 723,523.67 in respect of the Operating Loan Facility.

The Borrower acknowledges and agrees that the above-referenced amounts are current as of October 31, 2024 only, and are <u>exclusive</u> of interest.

Request for Forbearance

You have advised that the account excess and short-margin position would be covered via a CAD 10,000,000 loan (the "**Bridge Loan**") to be provided by Partners Capital Corporation on or before November 13, 2024. For greater certainty, the Bank's prior written approval is required for any such Bridge Loan and related transactions. In addition, you have also indicated that you are pursuing a potential sale of the Borrower. You have requested that the Bank forbear from demanding repayment of the indebtedness owing by the Borrower to the Bank and from enforcing its rights pursuant to the Facility Letter and the security held by the Bank for the indebtedness of the Borrower pursuant thereto, in order to permit the Borrower to obtain the forgoing financing and to complete the sale of the Borrower.

Forbearance Agreement

The Bank is prepared to forbear from demanding repayment of the indebtedness owing by the Borrower to the Bank and from enforcing its rights pursuant to the Facility Letter and the security held by the Bank for the indebtedness of the Borrower pursuant to the Facility Letter or otherwise until November 13, 2024 (the "Forbearance Period"), subject to receipt by the Bank of a copy of this Forbearance Agreement executed by the Borrower and each of the Guarantors as hereafter provided (the "Agreement"), and subject to compliance by the Borrower and each Guarantor of the terms and conditions hereinafter set out. Notwithstanding the current margin shortfall and facility limit excess, you have also asked the Bank to pay the following payroll amounts CAD 192,680, CAD 131,306.44 and USD 123,025. The Bank agrees to do so, again, subject to receipt by the Bank of a copy of this Agreement executed by the Borrower and each of the Guarantors as hereafter provided, and subject to compliance by the Borrower and each Guarantor of the terms and conditions hereinafter set out. For greater certainty, the Bank has not agreed to honour any further items given the current margin shortfall and facility limit excess.

Amendments to the Facility Letter

Upon receipt by the Borrower of the proceeds of the Bridge Loan:

- (i) Section 1.1 of the Facility Letter is hereby deleted in its entirety and replaced as follows:
 - 1.1 Amount

Demand operating revolving loan facility ("**Operating Loan Facility**") available at the Bank's discretion by way of any of the types of advances and other credit described in section 1.3 (below) up to but not exceeding in aggregate (for all such types of advances and other credit) CAD <u>14,000,000</u>, subject to the Margin Requirement, if any.

- (ii) Section 1.3 of the Facility Letter is hereby deleted in its entirety and replaced as follows:
 - 1.3 Availability

Loan advances and other credit under the Operating Loan Facility ("Operating Loans") are available as follows:

- (a) CAD account overdraft up to an aggregate principal amount not exceeding CAD <u>14,000,000</u> ("CAD Overdraft Loans"); and
- (b) USD account overdraft up to an aggregate principal amount not exceeding the US Dollar Equivalent of CAD 14,000,000 ("USD Overdraft Loans").

The Borrower shall ensure that the aggregate Canadian Dollar Equivalent of all amounts advanced and credits outstanding under the Operating Loan Facility shall at no time exceed the amount set out in section 1.1 above.

Tolling Provisions

1. As of the date hereof and continuing until the termination of the Forbearance Period and thereafter until the termination of the tolling arrangements hereof in the manner provided for in paragraph 2 below in this section entitled "Tolling Provisions" and whether or not demand for payment has previously been delivered by the Bank in respect of the obligations under or in connection with the Facility Letter, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the obligations of the Borrower and the Guarantors under or in connection with the Facility Letter or any security or guarantees delivered to the Bank pursuant thereto and any entitlements arising therefrom and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act, 2002* (Ontario) as well as the ultimate limitation period

provided by section 15 of the *Limitations Act*, 2002 (Ontario) in accordance with the provisions of section 22(2) of the *Limitations Act*, 2002 (Ontario) and as a business agreement in accordance with the provisions of section 22(5) of the *Limitations Act*, 2002 (Ontario) and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches; and

2. The tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the obligations of the Borrower and the Guarantors under or in connection with the Facility Letter or any security or guarantees delivered to the Bank pursuant thereto and any entitlements arising therefrom and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

General Provisions

- 1. The Borrower shall provide to the Bank, as soon as possible, a fully executed term sheet issued by Partners Capital Corporation agreeing to provide the Bridge Loan to the Borrower to enable the Borrower to pay \$150,000 of salary to Tim Shaw, to pay a further \$350,000 to Tim Shaw as repayment of a shareholder loan and to use the balance for general corporate and working capital purposes.
- 2. The Borrower shall repay in full all indebtedness and liabilities owing to the Bank as a condition to any sale or change of control of the Borrower.
- 3. The Borrower shall pay in full all outstanding costs and expenses of the Bank (including, for greater certainty, all reasonable and documented legal fees and disbursements) concurrently with the execution of this Agreement.
- 4. All security currently held by the Bank will continue to secure all obligations and indebtedness of the Borrower and each of the Guarantors to the Bank pursuant to the Facility Letter and the Borrower agrees to immediately provide to the Bank, or cause any of the Guarantors to provide to the Bank, all further security as may be requested by the Bank.
- 5. The Borrower and each Guarantor will comply with all reporting requirements, financial covenants and non-financial covenants and all other terms of the Facility Letter and all other loan, guarantee and security documentation which they have provided in favour of the Bank, as modified or amended by this Agreement.
- 6. The Borrower agrees to the continuing engagement by the Bank of Deloitte Restructuring Inc./Deloitte LLP's pursuant to the letter of engagement dated September 30, 2022 to act as the Bank's consultant to monitor the business and financial position of the Borrower, its subsidiaries and affiliates and to report to the Bank on its activities from time to time at the Bank's sole discretion.
- 7. The Borrower agrees that in the event that the Borrower or any Guarantor decides to make an application under the *Companies' Creditors Arrangement Act* (Canada) or file a notice of intention to make a proposal (or a proposal) under the *Bankruptcy and Insolvency Act* (Canada), the Borrower:
 - (a) shall provide the Bank with at least one week's prior written notice of the filing;
 - (b) shall include in any draft orders prepared by the Borrower a provision that the Bank is entitled, despite any stay, to exercise its rights to set-off or combine accounts with respect to amounts owing by the Bank to either the Borrower or any Guarantor in respect of the Borrower's or any

- Guarantors' cash and deposit accounts with the Bank against amounts owing by the Borrower to the Bank;
- shall support the Bank's arguments before the court that the court orders permit (and not stay) such rights of set-off or combination of accounts of the Bank; and
- (d) acknowledges that the Bank will be an unaffected creditor in such proceeding.
- 8. All representations and warranties set out in the Facility Letter as they relate to the Borrower or any Guarantor shall be deemed to have been repeated on the date of this Agreement and shall continue in effect for so long as the Borrower is indebted to the Bank pursuant to the Facility Letter.
- 9. No further breaches, defaults or events of default shall occur pursuant to this Agreement, the Facility Letter, any guarantee or any security granted to the Bank other than those described above. The Bank has not waived, and does not waive, the Defaults and reserves its rights and remedies in relation thereto.
- 10. Each of the Borrower and the Guarantors shall, at its cost and expense, upon request of the Bank, duly execute and deliver, or cause to be duly executed and delivered, to the Bank all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Bank to carry out more effectually the provisions and purposes of this Agreement, the Facility Letter or any other documents delivered pursuant thereto or in connection therewith.
- 11. Any notice, request or other communication which the Bank, the Borrower or any Guarantor may be required or may desire to give for purposes of this Agreement shall be delivered pursuant to the requirements set out under the Facility Letter.
- 12. No term or condition of this Agreement may be waived or varied verbally or deemed to be waived or varied by any cause or course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by a duly authorized officer of the Bank. Any amendment to this Agreement must be in writing and signed by a duly authorized officer of the Bank. Without limiting the foregoing, the Bank may amend this Agreement if such amendment is required in connection with any change in applicable law or its interpretation or in connection with any legal requirement; the Bank shall provide 30 days prior written notice of any such amendment.
- 13. In the event that any of the foregoing conditions are not satisfied (which shall constitute a default hereunder), then the agreement of the Bank to forbear from exercising its rights shall immediately be terminated without any notice to the Borrower and/or Guarantors. The occurrence of any further breaches, defaults or events of default pursuant to this Agreement, the Facility Letter, any guarantee or any security granted to the Bank shall terminate the Forbearance Period.
- 14. Please evidence the acknowledgement and agreement by the Borrower and each of the Guarantors of and to the terms and conditions set out above, by executing the acknowledgement and acceptance below on or before 5:00 p.m. (Toronto time) on November 1, 2024 failing which this Agreement shall be deemed to be withdrawn. The acknowledgement and acceptance, once executed by the Borrower and each of the Guarantors, shall, together with this letter, constitute one and the same binding agreement.
- 15. This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Agreement and the acknowledgement and agreement attached hereto may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Yours truly, Royal Bank of Canada

Per:_

Brian Pettit

Senior Director, Special Loans & Advisory Services

Brian Pettit

cc. Jorden Sleeth and Warren Leung, Deloitte Restructuring Inc./Deloitte LLP

BORROWER AND GUARANTOR ACKNOWLEDGEMENT AND ACCEPTANCE

For good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the undersigned, each of the undersigned hereby acknowledges, confirms and agrees to the terms and conditions set out above in this Agreement.

The Borrower and each of the Guarantors hereby jointly and severally represents and warrants to the Bank, specifically acknowledging that the Bank is relying upon all of such representations and warranties in entering into this Agreement, as follows:

- (a) each of the statements contained above in this Agreement are true and accurate in all respects and fully and completely disclose all material information with respect to their subject matter;
- (b) the Borrower and each of the Guarantors have disclosed to the Bank all information concerning the Borrower and each of the Guarantors, respectively, and their respective business, assets and financial condition to the date hereof that may be relevant or material to the Bank and all of the books and records of the Borrower and each of the Guarantors provided as of the date hereof to the Bank are true, accurate and complete in all respects;
- (c) neither the Borrower nor any of the Guarantors is aware of any fact, event, circumstance or condition relating to any of them that may cause the Bank, as reasonable and prudent lender, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this Agreement;
- (d) all corporate action necessary for the authorization, execution, delivery and performance of this Agreement by the Borrower and each of the Guarantors has been duly authorized and taken; and
- (e) this Agreement, when duly executed and delivered by the Borrower and each of the Guarantors will constitute a legal, valid and binding obligation, enforceable against the Borrower and each of the Guarantors, respectively, in accordance with its terms.

The Borrower further agrees to pay all reasonable and documented costs and expenses (whether incurred before or after the date hereof) of the Bank, including, without limitation, all reasonable and documented fees and disbursements incurred by the Bank in connection with its ongoing review of the financial affairs of the Borrower and each of the Guarantors, and all reasonable and documented legal fees and disbursements incurred in connection with the preparation, negotiation and enforcement of this agreement. The Bank is hereby expressly authorized to debit any of the Borrower's deposit or loan accounts maintained with the Bank for payment of all of the aforementioned costs and expenses and is further authorized to reserve from amounts made available to the Borrower under the Facility Letter such amounts as the Bank shall deem necessary in respect thereof.

The Borrower further acknowledges and agrees that the actual agreement by the Bank to permit the foregoing excesses shall be good and sufficient consideration for the contents hereof. The Borrower and each of the Guarantors has joined in this Agreement and acknowledges and agrees that the agreement by the Bank to permit the foregoing excesses will not in any way affect the obligations of the Borrower or any of the Guarantors to the Bank.

The Borrower and each of the Guarantors hereby acknowledges and agrees that it has had an opportunity to review this Agreement with legal counsel and, further, that they have been advised of and understand the terms and the consequences of signing same.

The Borrower and each of the Guarantors further acknowledges and agrees that neither the covenants and agreements of the Bank in this agreement, nor the performance thereof at any time, shall constitute or be deemed or implied to be a waiver by the Bank of any default under the Facility Letter, the security held by the Bank pursuant to the Facility Letter, or otherwise, that has occurred to the date hereof or any other subsequent or similar default. The Bank reserves all rights and remedies under the Facility Letter and the security held by the Bank pursuant thereto.

The Borrower and each of the Guarantors hereby jointly and severally releases and discharges the Bank and its directors, officers, employees and agents, from and against all claims and demands that they may have against the Bank arising to the date hereof out of any action or omission of the Bank or for any other reason whatsoever.

Dated this day of November, 2024.	
THE BORROWER SHAW-ALMEX INDUSTRIES LIMITED	
By: Name: Title: Timothy Sha	
By: Name: Title:	
GUARANTORS Almex Peru S.A.C. By:	ALMEX DE FUSION MEXICO S. DE R.L. DE C.V. By:
Name: Timoth Shares Dives	Name: Timothy Shr Title: Direct
SHAW ALMEX PACIFIC PTY LTD.	SHAW ALMEX AFRICA PROPRIETY LTD.
Name: Timoth Show	Name: Title: Divect
PT. SHAW ALMEX INDONESIA	SHAW ALMEX DEUTSCHLAND GMBH
By: Name: Title: Direct	By: Name: Title: Divection

ALMEX HOLDINGS, INC.	SHAW ALMEX FUSION, LLC
By: Name: Title: Tresidt	By: Name: Title: Dived:
By: Name: Title:	By: Name: Title: Note the little of the lit
SHAW ALMEX MINE EQUIP (TIANJIN) CO., LTD.	SHAW ALMEX CHILE SPA
By: Name: Title: Divec	By: Name: Title: Direck
SHAW-ALMEX BRAZIL ROLDINGS INC.	ALMEX INDUSTRIA, DO BRASIL LIMITADA
By: Name: Title: Divection	By: Name: Title: Direct
FONMAR GROUP, S.Ļ.	
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By: Name: Title: Divect Annual Annu	-the State of the
Name: Time Sh	By: Tim Shaw
Name: Title: Signature of Witness Name of Witness: PAMELA J. SHAW	
Name: Title: Signature of Witness	EA ST

THIS IS EXHIBIT "Q" REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

November 14, 2024

PRIVATE & CONFIDENTIAL

Shaw-Almex Industries Limited 17 Shaw Almex Drive Parry Sound, ON P2A 2X4

Attention:

Mr. Tim Shaw, President

Dear Sir:

Forbearance Extension Agreement

We refer to the amended and restated facility letter dated January 27, 2023, as amended by a first amendment agreement dated March 26, 2024 (as amended, the "Facility Letter") issued by Royal Bank of Canada (as successor by amalgamation between HSBC Bank Canada and Royal Bank of Canada on or about March 29, 2024, the "Bank") in favour of Shaw-Almex Industries Limited (the "Borrower"), pursuant to which the Bank established certain credit facilities for the Borrower, which are guaranteed by each of the undersigned guarantors named therein (collectively, the "Guarantors"). All capitalized terms used herein and not otherwise defined have meaning given thereto in the Facility Letter.

We also refer to the forbearance agreement dated October 31, 2024 between the Bank and the Borrower (the "Forbearance Agreement").

Events of Default

The Defaults, as defined in the Forbearance Agreement, have continued and such ongoing Defaults entitle the Bank to no longer permit any further borrowings under the Operating Loan Facility, or otherwise under the Facility Letter. The Bank has not waived, and does not waive, the foregoing Defaults and reserves its rights and remedies in relation thereto.

Request for Extension of Forbearance

You have advised that the account excess and short-margin position would be covered via a CAD 10,000,000 loan (the "**Bridge Loan**") to be provided by Partners Capital Corporation, initially on or before November 13, 2024, and you have now advised that such Bridge Loan is to be provided on or before November 22, 2024. For greater certainty, the Bank's prior written approval is required for any such Bridge Loan and related transactions. In addition, you have also indicated that you are pursuing a potential sale of the Borrower. You have requested that the Bank continue to forbear from demanding repayment of the indebtedness owing by the Borrower to the Bank and from enforcing its rights pursuant to the Facility Letter and the security held by the Bank for the indebtedness of the Borrower pursuant thereto, in order to permit the Borrower to obtain the forgoing financing and to complete the sale of the Borrower.

Forbearance Agreement

Notwithstanding the current margin shortfall and facility limit excess, you have also asked the Bank to pay certain payroll amounts due on or before November 22, 2024. The Bank is prepared to continue to forbear from demanding repayment of the indebtedness owing by the Borrower to the Bank and from enforcing its rights pursuant to the Facility Letter and the security held by the Bank for the indebtedness of the Borrower pursuant to the Facility Letter or otherwise until November 22, 2024 (the "Extended Forbearance Period") and to honour any payroll items submitted to the Bank, subject to each of the following:

- receipt by the Bank of a copy of this Forbearance Extension Agreement executed by the Borrower and each of the Guarantors as hereafter provided (the "Agreement");
- (b) compliance by the Borrower and each Guarantor with the terms and conditions hereinafter set out and as set out in the Facility Letter and the Forbearance Agreement; and
- (c) the Borrower having deposited into its bank accounts with the Bank sufficient funds to cover such payroll amounts prior to submitting such items to the Bank for payment.

For greater certainty, the Bank has not agreed to honour any further items given the current margin shortfall and facility limit excess.

Tolling Provisions

- 1. As of the date hereof and continuing until the termination of the Extended Forbearance Period and thereafter until the termination of the tolling arrangements hereof in the manner provided for in paragraph 2 below in this section entitled "Tolling Provisions" and whether or not demand for payment has previously been delivered by the Bank in respect of the obligations under or in connection with the Facility Letter, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the obligations of the Borrower and the Guarantors under or in connection with the Facility Letter or any security or guarantees delivered to the Bank pursuant thereto and any entitlements arising therefrom and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the Limitations Act. 2002 (Ontario) as well as the ultimate limitation period provided by section 15 of the Limitations Act, 2002 (Ontario) in accordance with the provisions of section 22(2) of the Limitations Act, 2002 (Ontario) and as a business agreement in accordance with the provisions of section 22(5) of the Limitations Act, 2002 (Ontario) and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches; and
- 2. The tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the obligations of the Borrower and the Guarantors under or in connection with the Facility Letter or any security or guarantees delivered to the Bank pursuant thereto and any entitlements arising therefrom and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

General Provisions

- 1. The Borrower shall provide to the Bank, as soon as possible, a fully executed term sheet issued by Partners Capital Corporation agreeing to provide the Bridge Loan to the Borrower to enable the Borrower to pay \$150,000 of salary to Tim Shaw, to pay a further \$350,000 to Tim Shaw as repayment of a shareholder loan and to use the balance for general corporate and working capital purposes.
- 2. The Borrower shall repay in full all indebtedness and liabilities owing to the Bank as a condition to any sale or change of control of the Borrower.

- 3. The Borrower shall pay in full all outstanding costs and expenses of the Bank (including, for greater certainty, all reasonable and documented legal fees and disbursements) concurrently with the execution of this Agreement.
- 4. All security currently held by the Bank will continue to secure all obligations and indebtedness of the Borrower and each of the Guarantors to the Bank pursuant to the Facility Letter and the Borrower agrees to immediately provide to the Bank, or cause any of the Guarantors to provide to the Bank, all further security as may be requested by the Bank.
- 5. The Borrower and each Guarantor will comply with all reporting requirements, financial covenants and non-financial covenants and all other terms of the Facility Letter and all other loan, guarantee and security documentation which they have provided in favour of the Bank, as modified or amended by this Agreement.
- 6. The Borrower agrees to the continuing engagement by the Bank of Deloitte Restructuring Inc./Deloitte LLP's pursuant to the letter of engagement dated September 30, 2022 to act as the Bank's consultant to monitor the business and financial position of the Borrower, its subsidiaries and affiliates and to report to the Bank on its activities from time to time at the Bank's sole discretion.
- 7. The Borrower agrees that in the event that the Borrower or any Guarantor decides to make an application under the *Companies' Creditors Arrangement Act* (Canada) or file a notice of intention to make a proposal (or a proposal) under the *Bankruptcy and Insolvency Act* (Canada), the Borrower:
 - (a) shall provide the Bank with at least one week's prior written notice of the filing;
 - (b) shall include in any draft orders prepared by the Borrower a provision that the Bank is entitled, despite any stay, to exercise its rights to set-off or combine accounts with respect to amounts owing by the Bank to either the Borrower or any Guarantor in respect of the Borrower's or any Guarantors' cash and deposit accounts with the Bank against amounts owing by the Borrower to the Bank;
 - shall support the Bank's arguments before the court that the court orders permit (and not stay) such rights of set-off or combination of accounts of the Bank; and
 - (d) acknowledges that the Bank will be an unaffected creditor in such proceeding.
- 8. All representations and warranties set out in the Facility Letter as they relate to the Borrower or any Guarantor shall be deemed to have been repeated on the date of this Agreement and shall continue in effect for so long as the Borrower is indebted to the Bank pursuant to the Facility Letter.
- 9. No further breaches, defaults or events of default shall occur pursuant to this Agreement, the Facility Letter, any guarantee or any security granted to the Bank other than those described above. The Bank has not waived, and does not waive, the Defaults and reserves its rights and remedies in relation thereto.
- 10. Each of the Borrower and the Guarantors shall, at its cost and expense, upon request of the Bank, duly execute and deliver, or cause to be duly executed and delivered, to the Bank all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Bank to carry out more effectually the provisions and purposes of this Agreement, the Facility Letter or any other documents delivered pursuant thereto or in connection therewith.
- 11. Any notice, request or other communication which the Bank, the Borrower or any Guarantor may be required or may desire to give for purposes of this Agreement shall be delivered pursuant to the requirements set out under the Facility Letter.

- 12. No term or condition of this Agreement may be waived or varied verbally or deemed to be waived or varied by any cause or course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by a duly authorized officer of the Bank. Any amendment to this Agreement must be in writing and signed by a duly authorized officer of the Bank. Without limiting the foregoing, the Bank may amend this Agreement if such amendment is required in connection with any change in applicable law or its interpretation or in connection with any legal requirement; the Bank shall provide 30 days prior written notice of any such amendment.
- 13. In the event that any of the foregoing conditions are not satisfied (which shall constitute a default hereunder), then the agreement of the Bank to forbear from exercising its rights shall immediately be terminated without any notice to the Borrower and/or Guarantors. The occurrence of any further breaches, defaults or events of default pursuant to this Agreement, the Forbearance Agreement, the Facility Letter, any guarantee or any security granted to the Bank shall terminate the Extended Forbearance Period.
- 14. Please evidence the acknowledgement and agreement by the Borrower and each of the Guarantors of and to the terms and conditions set out above, by executing the acknowledgement and acceptance below on or before 11:00 a.m. (Toronto time) on November 15, 2024 failing which this Agreement shall be deemed to be withdrawn. The acknowledgement and acceptance, once executed by the Borrower and each of the Guarantors, shall, together with this letter, constitute one and the same binding agreement.
- 15. This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Agreement and the acknowledgement and agreement attached hereto may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Yours truly, Royal Bank of Canada

Per:_

Brian Pettit

Senior Director, Special Loans & Advisory Services

Brian Pettit

cc. Jorden Sleeth and Warren Leung, Deloitte Restructuring Inc./Deloitte LLP

BORROWER AND GUARANTOR ACKNOWLEDGEMENT AND ACCEPTANCE

For good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the undersigned, each of the undersigned hereby acknowledges, confirms and agrees to the terms and conditions set out above in this Agreement.

The Borrower and each of the Guarantors hereby jointly and severally represents and warrants to the Bank, specifically acknowledging that the Bank is relying upon all of such representations and warranties in entering into this Agreement, as follows:

- (a) each of the statements contained above in this Agreement are true and accurate in all respects and fully and completely disclose all material information with respect to their subject matter;
- (b) the Borrower and each of the Guarantors have disclosed to the Bank all information concerning the Borrower and each of the Guarantors, respectively, and their respective business, assets and financial condition to the date hereof that may be relevant or material to the Bank and all of the books and records of the Borrower and each of the Guarantors provided as of the date hereof to the Bank are true, accurate and complete in all respects;
- (c) neither the Borrower nor any of the Guarantors is aware of any fact, event, circumstance or condition relating to any of them that may cause the Bank, as reasonable and prudent lender, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this Agreement;
- (d) all corporate action necessary for the authorization, execution, delivery and performance of this Agreement by the Borrower and each of the Guarantors has been duly authorized and taken; and
- (e) this Agreement, when duly executed and delivered by the Borrower and each of the Guarantors will constitute a legal, valid and binding obligation, enforceable against the Borrower and each of the Guarantors, respectively, in accordance with its terms.

The Borrower further agrees to pay all reasonable and documented costs and expenses (whether incurred before or after the date hereof) of the Bank, including, without limitation, all reasonable and documented fees and disbursements incurred by the Bank in connection with its ongoing review of the financial affairs of the Borrower and each of the Guarantors, and all reasonable and documented legal fees and disbursements incurred in connection with the preparation, negotiation and enforcement of this agreement. The Bank is hereby expressly authorized to debit any of the Borrower's deposit or loan accounts maintained with the Bank for payment of all of the aforementioned costs and expenses and is further authorized to reserve from amounts made available to the Borrower under the Facility Letter such amounts as the Bank shall deem necessary in respect thereof.

The Borrower further acknowledges and agrees that the actual agreement by the Bank to permit the foregoing excesses shall be good and sufficient consideration for the contents hereof. The Borrower and each of the Guarantors has joined in this Agreement and acknowledges and agrees that the agreement by the Bank to permit the foregoing excesses will not in any way affect the obligations of the Borrower or any of the Guarantors to the Bank.

The Borrower and each of the Guarantors hereby acknowledges and agrees that it has had an opportunity to review this Agreement with legal counsel and, further, that they have been advised of and understand the terms and the consequences of signing same.

The Borrower and each of the Guarantors further acknowledges and agrees that neither the covenants and agreements of the Bank in this agreement, nor the performance thereof at any time, shall constitute or be deemed or implied to be a waiver by the Bank of any default under the Facility Letter, the security held by the Bank pursuant to the Facility Letter, or otherwise, that has occurred to the date hereof or any other subsequent or similar default. The Bank reserves all rights and remedies under the Facility Letter and the security held by the Bank pursuant thereto.

The Borrower and each of the Guarantors hereby jointly and severally releases and discharges the Bank and its directors, officers, employees and agents, from and against all claims and demands that they may have against the Bank arising to the date hereof out of any action or omission of the Bank or for any other reason whatsoever.

Dated this <u>A</u> day of November, 2024.	
THE BORROWER SHAW-ALMEX INDUSTRIES LIMITED	
Name: Title: President	
By: Name: Title:	
GUARANTORS Almex Peru S.A.C. By:	ALMEX DE FUSION MEXICO S. DE R.L. DE C.V. By:
Name: Timoth Shaw Title: Director	Name: Timoth, Shar Title: Direct
SHAW ALMEX PACIFIC PTX LTD.	SHAW ALMEX AFRICA PROPRIETY LTD.
Ву:	Ву:
Name: Timoth Show	Name: Timoth Shortille: Diverch
PT. SHAW ALMEX INDONESIA	SHAW ALMEX DEUTSCHLAND GMBH
By: Name: Timoth Sha	By: Name: Typich Str
Title: Direch	Title: Divection

ALMEX HOLDINGS, INC	SHAW ALMEX FUSION, LLC
By:	By:
Name: Timety Sh	Name: Insty Sh
Title: Preside	Title: Die sidt
SHAW ALMEX EUROPE BV	SHAW ALMEX ZAMBIA LIMITED
By:	But.
Name: Timoth She	Name: Throofy Sha
Title: Divolit	Title: Die L
SHAW ALMEX MINE EQUIP (TIANJIN) CO., LTD.	SHAW ALMEX CHILE SPA
	-A
Ву:	By:
Name: Tinctysh	Name: Timety Sha
Title: Divel	Title: Direter
SHAW-ALMEX BRAZIL HOLDINGS INC.	ALMEX INDUSTRIA DO BRASIL LIMITADA
STAW-ALINEA BRAZIE INC.	ALIVIEX INDUSTRIA DO BRASIL LIWITADA
Ву:	ву:
Name: Timely &	- 111 91-
	Name.
Title: Dre 4	Title:
Live 4	Name.
FONMAR GROUP, S.L.	Name.
FONMAR GROUP, S.L.	Name.
FONMAR GROUP, S.L. By: Name: Travelle Shu	Name.
FONMAR GROUP, S.L.	Name.
FONMAR GROUP, S.L. By: Name: Title:	Name.
By: Name: Title: Signature of Witness	Name.
FONMAR GROUP, S.L. By: Name: Title: Signature of Witness: Name of Witness: PAMELA J. SHAW	By: Tim Shaw
By: Name: Title: Signature of Witness	By: Tim Shaw

THIS IS **EXHIBIT "R"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

December 9, 2024

PRIVATE & CONFIDENTIAL

Shaw-Almex Industries Limited 17 Shaw Almex Drive Parry Sound, ON P2A 2X4

Attention:

Mr. Tim Shaw, President

Dear Sir:

Second Forbearance Extension Agreement

We refer to the amended and restated facility letter dated January 27, 2023, as amended by a first amendment agreement dated March 26, 2024 (as amended, the "Facility Letter") issued by Royal Bank of Canada (as successor by amalgamation between HSBC Bank Canada and Royal Bank of Canada on or about March 29, 2024, the "Bank") in favour of Shaw-Almex Industries Limited (the "Borrower"), pursuant to which the Bank established certain credit facilities for the Borrower, which are guaranteed by each of the undersigned guarantors named therein (collectively, the "Guarantors"). All capitalized terms used herein and not otherwise defined have meaning given thereto in the Facility Letter.

We also refer to (i) the forbearance agreement dated October 31, 2024 between the Bank and the Borrower, as amended by the forbearance extension agreement dated November 14, 2024 (collectively, the "Forbearance Agreement"); and (ii) the demand letter issued by the Bank dated November 28, 2024.

Events of Default

The Defaults, as defined in the Forbearance Agreement, have continued and such ongoing Defaults entitle the Bank to no longer permit any further borrowings under the Operating Loan Facility, or otherwise under the Facility Letter. The Bank has not waived, and does not waive, the foregoing Defaults and reserves its rights and remedies in relation thereto.

Request for Further Extension of Forbearance

You have advised that the account excess and short-margin position would be covered via a CAD 10,000,000 loan (the "Bridge Loan") to be provided by Partners Capital Corporation, on terms satisfactory to the Bank, initially on or before November 13, 2024, which date you then advised was further extended to November 22, 2024, which date you then advised was further extended to November 29, 2024, and you have now advised that such Bridge Loan, or equity injection in a similar amount (the "Proposed Equity Injection") is to be provided on or before January 31, 2025, by Westhall Investments or a related entity. For greater certainty, the Bank's prior written approval is required for any such Bridge Loan or Proposed Equity Injection, and any related transactions. In addition, you have also indicated that you are pursuing a potential sale of the Borrower. You have requested that the Bank forbear from enforcing its rights pursuant to the Facility Letter and the security held by the Bank for the indebtedness of the Borrower pursuant thereto, in order to permit the Borrower to obtain the forgoing financing and to complete the sale of the Borrower.

Forbearance Agreement

Notwithstanding the current margin shortfall and facility limit excess, you have also asked the Bank to permit deposited funds to be utilized to pay normal course payables. The Bank is prepared to continue to forbear

from enforcing its rights pursuant to the Facility Letter and the security held by the Bank for the indebtedness of the Borrower pursuant to the Facility Letter or otherwise until January 31, 2025 (the "Extended Forbearance Period") and to honour any normal course items submitted to the Bank from the proceeds of any new deposits made for such purpose, subject to each of the following:

- (a) receipt by the Bank of a copy of this Second Forbearance Extension Agreement executed by the Borrower and each of the Guarantors as hereafter provided (the "Agreement"); and
- (b) compliance by the Borrower and each Guarantor with the terms and conditions hereinafter set out and as set out in the Facility Letter and the Forbearance Agreement.

Amendments to the Facility Letter

Article 2 (Letter of Guarantee Facility) of the Facility Letter is hereby deleted in its entirety and replaced with "[Reserved]".

Tolling Provisions

- As of the date hereof and continuing until the termination of the Extended Forbearance Period and 1. thereafter until the termination of the tolling arrangements hereof in the manner provided for in paragraph 2 below in this section entitled "Tolling Provisions" and whether or not demand for payment has previously been delivered by the Bank in respect of the obligations under or in connection with the Facility Letter, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the obligations of the Borrower and the Guarantors under or in connection with the Facility Letter or any security or guarantees delivered to the Bank pursuant thereto and any entitlements arising therefrom and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the Limitations Act, 2002 (Ontario) as well as the ultimate limitation period provided by section 15 of the Limitations Act, 2002 (Ontario) in accordance with the provisions of section 22(2) of the Limitations Act, 2002 (Ontario) and as a business agreement in accordance with the provisions of section 22(5) of the Limitations Act, 2002 (Ontario) and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches; and
- The tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the obligations of the Borrower and the Guarantors under or in connection with the Facility Letter or any security or guarantees delivered to the Bank pursuant thereto and any entitlements arising therefrom and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

General Provisions

- During the Forbearance Period, the Borrower shall remain in material compliance with its twelveweek cash flow projections (the "Cash Flow Projections"), a copy of which are attached hereto as Schedule "A".
- 2. The current shareholders of the Borrower shall have provided an injection of equity into the Borrower at such times, and in such amounts, as required to comply with the terms of this Agreement.

3. The Borrower shall provide regular updates to the Bank in respect of the status of the Bridge Loan and the Proposed Equity Injection, and any other potential sources of financing. The advance of the Bridge Loan to the Borrower, or the receipt of the Proposed Equity Injection, in both cases subject to the prior written consent of the Bank, shall have occurred on or before the end of the Extended Forbearance Period.

The Bank shall have received:

- (a) on or before December 18, 2024, written confirmation from Export Development Canada ("EDC") of the extension of EDC's guarantee under the Export Guarantee Program (EGP) guaranteeing 45% of the Operating Loan Facility up to CAD 7,000,000;
- (b) on or before December 13, 2024, from the Borrower:
 - (i) a list of all such trademarks and patents, together with the names of the registered owners thereof, owned or used by the Borrower and each of the Guarantors (the "Intellectual Property");
 - (ii) for the fiscal quarter ended September 30, 2024:
 - A. the certificate of covenant compliance in the form requested by the Bank;
 - B. the interim internally prepared financial statements (including income statement and balance sheet) for the Borrower and Guarantors on a consolidated basis, as well as consolidated workbook which includes the financial results of the Borrower and Guarantors;
 - C. the management discussion and analysis of financial results together with a discussion of the significant variances from budget, and also includes a discussion of new significant business during the last quarter and forecast for the upcoming quarter, any significant orders that were delayed or cancelled, along with an updated order backlog by entity and revenue stream, and the Borrower's progress towards its Recovery Plan as prepared by Izsak Consulting; and
 - D. the updated monthly cash flow forecast for the next 12 month period;
 - (iii) for the month ended October 31, 2024:
 - A. the aged list of accounts receivable of the Borrower and each of the Guarantors, with uninsured Acceptable Receivables aged from invoice date and Insured Receivables aged from due date;
 - B. the aged list of accounts payable of the Borrower;
 - C. the declaration of inventory; and
 - D. the certificate of margin compliance and the certificate of covenant compliance in the form requested by the Bank; and
- (c) on or before January 10, 2025, from the Borrower:
 - (i) an intellectual property security agreement by each of the registered owners of the Intellectual Property in favour of the Bank, together with any limited recourse guarantees as may be required;
 - (ii) a detailed business plan with monthly forecasts for 2025, including a detailed monthly income statement, balance sheet, cash flow statement, forecasted

borrowing base and financial covenants, reflecting the impact of the CAD 10,000,000 injection together with supporting assumptions, in form and substance satisfactory to the Bank; and

- (iii) the actual results for the period ending December 31, 2024 including an analysis discussing the variance of the actual results from the projection for such period.
- 5. the balance outstanding on the Operating Loan Facility shall have been reduced to a maximum amount of CAD 15,500,000 on or before December 13, 2024.
- 6. the current margin shortfall shall have been reduced to a maximum amount of CAD 2,600,000 by December 13, 2024, and shall have been further reduced to zero at the earlier of (x) receipt of the advance of the Bridge Loan or the Proposed Equity Injection by the Borrower, or (y) the expiry of the Extended Forbearance Period.
- 7. The Borrower shall repay in full all indebtedness and liabilities owing to the Bank as a condition to any sale or change of control of the Borrower, unless otherwise consented to in writing by the Bank.
- 8. The Borrower shall pay in full all outstanding costs and expenses of the Bank (including, for greater certainty, all reasonable and documented legal fees and disbursements) concurrently with the execution of this Agreement.
- 9. All security currently held by the Bank will continue to secure all obligations and indebtedness of the Borrower and each of the Guarantors to the Bank pursuant to the Facility Letter and the Borrower agrees to immediately provide to the Bank, or cause any of the Guarantors to provide to the Bank, all further security as may be requested by the Bank.
- 10. The Borrower and each Guarantor will comply with all reporting requirements, financial covenants and non-financial covenants and all other terms of the Facility Letter and all other loan, guarantee and security documentation which they have provided in favour of the Bank, as modified or amended by this Agreement.
- 11. The Borrower agrees to the continuing engagement by the Bank of Deloitte pursuant to the letter of engagement dated September 30, 2022 to act as the Bank's consultant to monitor the business and financial position of the Borrower, its subsidiaries and affiliates and to report to the Bank on its activities from time to time at the Bank's sole discretion, and the Borrower agrees to continue to provide all information requested from time to time by Deloitte.
- 12. The Borrower agrees that in the event that the Borrower or any Guarantor decides to make an application under the *Companies' Creditors Arrangement Act* (Canada) or file a notice of intention to make a proposal (or a proposal) under the *Bankruptcy and Insolvency Act* (Canada), the Borrower:
 - (a) shall provide the Bank with at least one week's prior written notice of the filing;
 - (b) shall include in any draft orders prepared by the Borrower a provision that the Bank is entitled, despite any stay, to exercise its rights to set-off or combine accounts with respect to amounts owing by the Bank to either the Borrower or any Guarantor in respect of the Borrower's or any Guarantors' cash and deposit accounts with the Bank against amounts owing by the Borrower to the Bank;
 - (c) shall support the Bank's arguments before the court that the court orders permit (and not stay) such rights of set-off or combination of accounts of the Bank; and
 - (d) acknowledges that the Bank will be an unaffected creditor in such proceeding.

- 13. All representations and warranties set out in the Facility Letter as they relate to the Borrower or any Guarantor shall be deemed to have been repeated on the date of this Agreement and shall continue in effect for so long as the Borrower is indebted to the Bank pursuant to the Facility Letter.
- 14. No further breaches, defaults or events of default shall occur pursuant to this Agreement, the Facility Letter, any guarantee or any security granted to the Bank other than those described above. The Bank has not waived, and does not waive, the Defaults and reserves its rights and remedies in relation thereto.
- 15. Each of the Borrower and the Guarantors shall, at its cost and expense, upon request of the Bank, duly execute and deliver, or cause to be duly executed and delivered, to the Bank all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Bank to carry out more effectually the provisions and purposes of this Agreement, the Facility Letter or any other documents delivered pursuant thereto or in connection therewith.
- 16. Any notice, request or other communication which the Bank, the Borrower or any Guarantor may be required or may desire to give for purposes of this Agreement shall be delivered pursuant to the requirements set out under the Facility Letter.
- 17. No term or condition of this Agreement may be waived or varied verbally or deemed to be waived or varied by any cause or course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by a duly authorized officer of the Bank. Any amendment to this Agreement must be in writing and signed by a duly authorized officer of the Bank. Without limiting the foregoing, the Bank may amend this Agreement if such amendment is required in connection with any change in applicable law or its interpretation or in connection with any legal requirement; the Bank shall provide 30 days prior written notice of any such amendment.
- 18. In the event that any of the foregoing conditions are not satisfied (which shall constitute a default hereunder), then the agreement of the Bank to forbear from exercising its rights shall immediately be terminated without any notice to the Borrower and/or Guarantors. The occurrence of any further breaches, defaults or events of default pursuant to this Agreement, the Forbearance Agreement, the Facility Letter, any guarantee or any security granted to the Bank shall terminate the Extended Forbearance Period.
- 19. Please evidence the acknowledgement and agreement by the Borrower and each of the Guarantors of and to the terms and conditions set out above, by executing the acknowledgement and acceptance below on or before 5:00 p.m. (Toronto time) on December 10, 2024 failing which this Agreement shall be deemed to be withdrawn. The acknowledgement and acceptance, once executed by the Borrower and each of the Guarantors, shall, together with this letter, constitute one and the same binding agreement.
- 20. This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Agreement and the acknowledgement and agreement attached hereto may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Yours truly, Royal Bank of Canada

Per: Andrew O'Coin
Andrew O'Coin

Senior Director, Special Loans & Advisory Services

cc. Jorden Sleeth and Warren Leung, Deloitte Restructuring Inc./Deloitte LLP

BORROWER AND GUARANTOR ACKNOWLEDGEMENT AND ACCEPTANCE

For good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the undersigned, each of the undersigned hereby acknowledges, confirms and agrees to the terms and conditions set out above in this Agreement.

The Borrower and each of the Guarantors hereby jointly and severally represents and warrants to the Bank, specifically acknowledging that the Bank is relying upon all of such representations and warranties in entering into this Agreement, as follows:

- (a) each of the statements contained above in this Agreement are true and accurate in all respects and fully and completely disclose all material information with respect to their subject matter;
- (b) the Borrower and each of the Guarantors have disclosed to the Bank all information concerning the Borrower and each of the Guarantors, respectively, and their respective business, assets and financial condition to the date hereof that may be relevant or material to the Bank and all of the books and records of the Borrower and each of the Guarantors provided as of the date hereof to the Bank are true, accurate and complete in all respects;
- (c) neither the Borrower nor any of the Guarantors is aware of any fact, event, circumstance or condition relating to any of them that may cause the Bank, as reasonable and prudent lender, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this Agreement;
- (d) all corporate action necessary for the authorization, execution, delivery and performance of this Agreement by the Borrower and each of the Guarantors has been duly authorized and taken; and
- (e) this Agreement, when duly executed and delivered by the Borrower and each of the Guarantors will constitute a legal, valid and binding obligation, enforceable against the Borrower and each of the Guarantors, respectively, in accordance with its terms.

The Borrower further agrees to pay all reasonable and documented costs and expenses (whether incurred before or after the date hereof) of the Bank, including, without limitation, all reasonable and documented fees and disbursements incurred by the Bank in connection with its ongoing review of the financial affairs of the Borrower and each of the Guarantors, and all reasonable and documented legal fees and disbursements incurred in connection with the preparation, negotiation and enforcement of this agreement. The Bank is hereby expressly authorized to debit any of the Borrower's deposit or loan accounts maintained with the Bank for payment of all of the aforementioned costs and expenses and is further authorized to reserve from amounts made available to the Borrower under the Facility Letter such amounts as the Bank shall deem necessary in respect thereof.

The Borrower further acknowledges and agrees that the actual agreement by the Bank to permit the foregoing excesses shall be good and sufficient consideration for the contents hereof. The Borrower and each of the Guarantors has joined in this Agreement and acknowledges and agrees that the agreement by the Bank to permit the foregoing excesses will not in any way affect the obligations of the Borrower or any of the Guarantors to the Bank.

The Borrower and each of the Guarantors hereby acknowledges and agrees that it has had an opportunity to review this Agreement with legal counsel and, further, that they have been advised of and understand the terms and the consequences of signing same.

The Borrower and each of the Guarantors further acknowledges and agrees that neither the covenants and agreements of the Bank in this agreement, nor the performance thereof at any time, shall constitute or be deemed or implied to be a waiver by the Bank of any default under the Facility Letter, the security held by the Bank pursuant to the Facility Letter, or otherwise, that has occurred to the date hereof or any other subsequent or similar default. The Bank reserves all rights and remedies under the Facility Letter and the security held by the Bank pursuant thereto.

The Borrower and each of the Guarantors hereby jointly and severally releases and discharges the Bank and its directors, officers, employees and agents, from and against all claims and demands that they may have against the Bank arising to the date hereof out of any action or omission of the Bank or for any other reason whatsoever.

Dated this 9th day of December, 2024.

THE BORROWER SHAW-ALMEX INDUSTRIES LIMITED	
By: Name: Title: By: Name:	
Title:	
GUARANTORS ALMEX PERU S.A.C.	ALMEX DE FUSION MEXICO S. DE R.L. DE C.V.
By:	Ву:
Name: Timoth Show Title: Divertor	Name: Timoth Shaw Title: Director
SHAW ALMEX PACIFIC FTY LTD. By:	SHAW ALMEX AFRICA PROPRIETY LTD. By:
Name: Timoth Shaw Title: Direct	Name: Timoth Shar Title: Direct
PT. SHAW ALMEX INDONES A	SHAW ALMEX DEUTSCH AND GMBH By:
Name: Timothy Shar Title: Direct	Name: Timoth Star Title: Directi

ALMEX HOLDINGS, INC	SHAW ALMEX FUSION, BZO
Name: Timoth Sh. Title: Dive &	Name: Tubin Sur Title: Direct
SHAW ALMEX EUROPE BV.	SHAW ALMEX ZAMBIA LIMITED
By: Name: Title: Direct	Name: Title: Direction
SHAW ALMEX MINE EQUIP (TIANJIN) CO., LTD.	SHAW ALMEX CHILE SPA
By: Name: Title: Diveture	By: Name: Title: Direct
SHAW-ALMEX BRAZIL HOLDINGS INC. By:	ALMEX INDUSTRIA DO BRASIL LIMITADA By:
Name: Timoth Show Title: Director	Name: Timely Shar Title: Direct
FONMAR GROUP, S.C.	
By: Name: Title: Direct Title:	
Signature of Witness	By: Tim Shaw
Name of Witness:	,
Address of Witness: 34 Oakridge RA	
North McDongall ON	

Schedule "A"

Cash Flow Forecast

1.41000	268	Budget 21-Feb-	25	12		332,000		200,000	282,000			0
1.41000	267	Budget 14-Feb-	25			332,000		200,000	282,000			0
1.41000	266	Budget	7-Feb-25	10		332,000	,	200,000	282,000			0
1.42000	265	Budget 31-Jan-		თ		334,000	,	200,000	284,000			0
1.42000	264	Budget 24-Jan-	25	∞		334,000		200,000	284,000			0
1.42000	263	Budget 17-Jan-	25	7		334,000		200,000	284,000			0
1.42000	262	Budget 10-Jan-	25	9		334,000		200,000	284,000			0
1.42000	261	Budget	3-Jan-25	ટ		334,000		200,000	284,000			0
1.41000	260	Budget 27-Dec-	24	4		120,500		50,000	70,500			0
1,41000	259	Budget 20-Dec-	24	ო		170,771		85,653	120,771			0
1.41000	258	Budget 13-Dec-	24	2		179,308		103,629	146,117			0
1,41000	257	Budget	6-Dec-24	-		91,108		43,696	61,611			0
Avera ge USD:C AD				curren cy		CAD		OSD	CAD		EUR	CAD
Overdraft Powerd	Accounts Outstanding	Cheques			CASH RECEIPTS Collection of Accounts	Receivable - Third Party Collection of	Accounts Receivable - Third Party	USD	Subtotal USD:CAD Conversion Collection of	Accounts Receivable -	Third Party EUR	Subtotal EUR:CAD Conversion

50,000	70,500		50,000	70,500		0	0	0
50,000	107,000		50,000	70,500	25,000	36,500	141,000	100,000
90,000	141,000		100,000	141,000		0	0	0
50,000	142,000		100,000	142,000		0	0	0
50,000	71,000		50,000	71,000		0	0	0
50,000	107,500		50,000	71,000	25,000	36,500	142,000	100,000
50,000	71,000		50,000	71,000		0	0	0
50,000	142,000		100,000	142,000		0	0	0
50,000	141,000		100,000	141,000		0	705,000	500,000
900'09	70,500		50,000	70,500		0	0	0
33,191	107,000		50,000	70,500	25,000	36,500	0	0
29,497	o		1	0	Ī	0	76,937	54,565
CAD	CAD	OSD	OSD	CAD	EUR	CAD	CAD	OSD
Collection of Accounts Receivable - Third Party CAD	Collection of Accounts Receivable - Intercompan y Collections of Accounts Receivable -	Bristol/Sempe rit Collection of Accounts	Receivable - Interco USD	Subtotal USD:CAD Conversion Collection of Accounts	Receivable - Interco EUR	Subtotal EUR:CAD Conversion	Advance Billing & Deposit Receivables Advance Billing &	Deposit Receivables - USD

				402,500	342,500	211,500
0	0	0		94	34.	27
141,000	0	0		580,000	202,200	21,150
0	0	o		473,000	462,462	303,150
0	0	0		476,000	211,350	21,300
0	0	0		405,000	415,000	284,000
142,000	0	0	10,000,0 00	10,583,5 00	201,300	21,300
0	0	0		405,000	438,497	284,000
0	0	0		476,000	291,513	92,300
705,000	0	0		966,500	413,000	282,000
0	0	0	800,000	1,041,27 1	181,050	0
0	0	0	1,100,00 0	1,386,30 8	459,006	309,800
76,937	0	0	3,000,00	3,168,04	202,460	o
CAD	CAD CAD	CAD	CAD		CAD	CAD
Subtotal USD:CAD Conversion Advance Billing & Deposit Receivables -	Subtotal EUR:CAD Conversion Advance Billing & Deposit Receivables - CAD	Refunds, Tax Credits & Sale of Assets	Term Loan Proceeds / Investors	TOTAL	Cash Disbursements Payroll and benefits	Subtotal Payroll and Benefits CAD Equivalent

8,979	25,335	0	25,335	845,075	0	20,485	11,985	8,500	0	0
2,500	0	0	0	620,351	0	16,985	11,985	5,000	0	0
3,309	1,229	0	1,229	805,285	36,460	95,902	11,985	83,917	0	0
7,012	47,477	0	47,477	762,636	5,396	17,070	12,070	5,000	0	0
2,800	0	0	0	737,819	0	20,570	12,070	8,500	0	0
2,975	0	0	0	535,272	0	17,070	12,070	5,000	0	0
5,021	8,058	0	8,058	888,206	0	95,926	12,070	83,856	0	0
0	0	0	0	505,979	41,856	17,070	12,070	5,000	0	0
2,652	5,124	0	5,124	611,481	0	23,479	11,985	11,494	0	0
4,746	0	0	0	458,847	0	16,985	11,985	5,000	0	0
17,105	44,409	0	44,409	2,040,03 0	0	21,337	13,910	7,427	0	o
0	•	0	0	260,258	41,818	91,985	11,985	80,000	0	0
CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Subtotal Tools, Supplies - CAD	CAPEX, Equipment & Information Technology Subtotal CAPEX, Equip & IT	CAD Equivalent	Subfotal CAPEX, Equip & IT - CAD	Total Direct Costs	Insurance	Selling, General & Admin	Subtotal USD SG&A CAD Equivalent	Subtotal SG&A CAD	Taxes	Subtotal USD Taxes CAD Equivalent

Subtotal Taxes - CAD	CAD	o	0	0	0	0	0	0	0	0	0	0	0
Research & Development	CAD	o	1,938	0	0	1,938	0	0	1,938	o	0	1,938	0
Utilities	CAD	11,953	6,784	0	30,628	14,421	4,537	4,450	40,065	61	19,689	3,500	41,504
Professional Fees	CAD	ı											
Subtotal USD Professional CAD Equivalent	CAD	9,720	109,480	4,974	56,400	0	14,200	0	4,974	49,480	56,400	0	50,436
Subtotal Professional Fees - CAD	CAD	0	129,439	144,666	2,039	0	7,373	40,000	20,000	142,147	25,000	29,000	33,735
Banking, Loan and Interest Payments	CAD	272,906	78,141	109,161	3,641	146,203	78,142	108,912	142	123,642	34,181	78,141	112,161
Subtotal US Bank and Financing Payments CAD Equivalent	CAD	141	14	14	. 141	142	142	142	142	142	14	141	14
Subtotal Banking, Loan & Interest Payments -	CAD	272,765	78,000	109,020	3,500	146,061	78,000	108,770	0	123,500	34,040	78,000	112,020
Intercompan y Transfers	CAD	260,805	84,555	49,305	49,305	262,655	49,655	85,155	49,655	262,655	451,155	84,555	49,305

Foreign Exchange Loss / (Gain)	CAD	0	O	0	0	0	0	o	0	0	o	0	0
Miscellaneou s Disbursemen t	CAD												
Total Indirect Costs	CAD	679,467	192,755	175,451	107,053	484,143	228,260	215,587	112,370	408,824	637,387	185,119	223,455
Total Disbursements	CAD	939,725	2,232,78 4	634,298	718,534	990,122	1,116,46 5	750,859	850,189	1,171,46 0	1,442,67 2	805,470	1,068,53 0
Net Receipts (Disbursements	CAD	2,228,32	-846,476	406,973	247,966	-514,122	-711,465	9,832,64 1	-445,189	-695,460	-969,672	-225,470	-666,030
Opening Overdraft	CAD	- 16,228,8 76	- 14,000,5 56	7 14,847,0 32	- 14,440,0 59	- 14,192,0 93	14,706,2 15	- 15,417,6 80	5,585,03 9	- 6,030,22 7	- 6,725,68 7	7,695,36 0	- 7,920,83 0
Closing Overdraft	CAD	- 14,000,5 56	- 14,847,0 32	- 14,440,0 59	- 14,192,0 93	- 14,706,2 15	- 15,417,6 80	- 5,585,03 9	- 6,030,22 7	- 6,725,68 7	- 7,695,36 0	- 7,920,83 0	- 8,586,86 0
Additional Deposit Accounts Held by SAIL	CAD	0	o	0	0	0	0	0	0	0	0	0	0
Net Position	CAD	14,000,5 56	- 14,847,0 32	- 14,440,0 59	- 14,192,0 93	- 14,706,2 15	- 15,417,6 80	- 5,585,03 9	- 6,030,22 7	- 6,725,68 7	7,695,36 0	7,920,83 0	- 8,586,86 0

Less Timing Differences Outstanding Cheques		0	o	0	0	0	0	0	0	0	o	0	0
Expected Net Position Less Timing Differences	CAD	- 14,000,5 56	- 14,847,0 32	- 14,440,0 59	- 14,192,0 93	- 14,706,2 15	- 15,417,6 80	- 5,585,03 9	- 6,030,22 7	- 6,725,68 7	- 7,695,36 0	7,920,83 0	2,586,86 0
Margin Limit	CAD	12,317,1 09	12,317,1 09	12,317,1 09	12,317,1 09	12,500,0 00	12,500,0 00	12,500,0 00	12,500,0 00	12,500,0 00	12,500,0 00	12,500,0 00	12,500,0 00
Closing Overdraft	CAD	- 14,000,5 56	- 14,847,0 32	- 14,440,0 59	- 14,192,0 93	- 14,706,2 15	- 15,417,6 80	- 5,585,03 9	- 6,030,22 7	6,725,68 7	7,695,36 0	7,920,83 0	- 8,586,86 0
Net Position	CAD	- 14,000,5 56	- 14,847,0 32	- 14,440,0 59	- 14,192,0 93	14,706,2 15	- 15,417,6 80	5,585,03 9	- 6,030,22 7	- 6,725,68 7	- 7,695,36 0	- 7,920,83 0	8,586,86 0
Margin Availability - Excess/Short fall from Closing Overdraft	CAD	1,683,44	- 2,529,92 3	2,122,95 0	- 1,874,98 4	- 2,206,21 5	- 2,917,68 0	6,914,96 1	6,469,77 3	5,774,31 3	4,804,64	4,579,17 0	3,913,14 0
Margin Availability - Excess/Short fall from Net Position	САБ	1,683,44 7	2,529,92 3	- 2,122,95 0	- 1,874,98 4	- 2,206,21 5	- 2,917,68 0	6,914,96 1	6,469,77 3	5,774,31 3	4,804,64 0	4,579,17 0	3,913,14
Credit Limit	CAD	15,500,0 00	15,500,0 00	15,500,0 00	15,500,0 00	15,500,0 00	15,500,0 00	15,500,0 00	15,500,0 00 -	15,500,0 00 -	15,500,0 00 -	15,500,0 00 -	15,500,0 00 -
Closing Overdraft	CAD	- 14,000,5 56	- 14,847,0 32	- 14,440,0 59	14,192,0 93	14,706,2 15	15,417,6 80	5,585,03 9	6,030,22 7	6,725,68 7	7,695,36 0	7,920,83 0	8,586,86 0

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THIS IS **EXHIBIT "S"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann



Letter of Offer dated December 17, 2021

BDCID: 10026503838

Shaw-Almex Industries Limited 323 Glover Rd Stoney Creek, ON L8E 5M2

Attention of: Mr. Ryan Neufeld

Re: Loan(s) No. 224175-01

In accordance with this letter of offer of credit as amended from time to time (the "Letter of Offer"), Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "Loan"). The Letter of Offer is open for acceptance until December 27, 2021 (the "Acceptance Date") and must be received by BDC duly signed no later than the Acceptance Date otherwise it shall automatically be deemed withdrawn by BDC.

This Loan is in addition to the existing CDN dollar loan(s) on which \$4,700,000.00 is outstanding.

LOAN PURPOSE AND FUNDING

Loan Purpose

Refinance Realty	\$2,000,000.00
	\$2,000,000.00
Funding BDC 224175-01	\$2,000,000.00
	\$2,000.000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" – Section I or are defined elsewhere in the text of the Letter of Offer.

LENDER

BDC

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Business Development Bank of Canada 25 Main Street West, Suite 1900 Hamilton, ON L8P1H1 www.bdc.ca

BORROWER

Shaw-Almex Industries Limited (the "Borrower")

GUARANTOR

Shaw Almex Africa Proprietary Limited

Fonmar Group, S.L.

Almex Peru S.A.C.

Almex Fusion de Mexico, S de R.L. de C.

Shaw Almex Pacific Pty. Ltd.

PT. Shaw Almex Indonesia

Shaw Almex Fusion, LLC

Shaw Almex Chile S.A.

Shaw Almex Mine Equip. (Tianjin) Co., Ltd.

Shaw Almex Europe B.V.

(Hereinafter individually or collectively referred to as the "Guarantor"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 224175-01: \$2,000,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Loan 224175-01

Floating Rate: Effective December 22, 2021, the interest rate on the Loan will be adjusted to 3.35% per year, being BDC's Floating Base Rate minus a Variance of 1.20% per year. BDC's Floating Base Rate is currently 4.55% per year.

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of t first disbursement, both before and after maturity, Default and judgement.



Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following table. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable in full on the Maturity Date indicated below.

Loan 224175-01

Regular

	Paymen	ts		
Number	Frequency	Amount (\$)	Start Date	End Date
1	Once	9,130.00	01/01/2023	01/01/2023
239	Monthly	8,330.00	01/02/2023	01/12/2042

In addition, interest is payable monthly on the 1st day of the month (the "Payment Date 01") commencing on the next occurring Payment Date 01 following the first advance on the Loan.

Maturity Date: December 1, 2042 (the "Maturity Date 01").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after December 17, 2021. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full. If the loan is prepaid in full within 30 days following receipt of the amount paid as a prepayment privilege, BDC will calculate a prepayment indemnity, effective the day the full balance is repaid, on the amount of the last received prepayment privilege and add it to the prepayment indemnity calculated on the full remaining balance being repaid.

Prepayment Indemnity: In addition to the annual prepayment privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:

- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:



 the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.



SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the "Security"):

Loan 224175-01

- First readvanceable mortgage in the principal amount of \$2,000,000 on land (approx. 28.682 acres) (legally described as Pt Lt 144 Con B Foley Pt 1 PSR1703, Pt 1 42R3284 & As In R037034; Seguin) and buildings located at 17 Shaw Almex Drive, Seguin, Parry Sound District, ON, P2A 0B2. Property is owned by Shaw-Almex Industries Limited. Building location survey or title insurance required.
- 2. General Security Agreement from Shaw-Almex Industries Limited, providing a security interest in all other present and after-acquired personal property, except consumer goods, subject only to priority on inventory and accounts receivable to the lender extending line of credit and existing and future registered charges.
 - Existing General Security Agreement from BDC 224177-02 to stand as security for the loan.
- 3. Guarantee of Shaw Almex Global Holdings Limited for the full amount of the Loan supported by :
 - (i) Specific Security Agreement from Shaw Almex Global Holdings Limited providing a charge on all present and after-acquired personal property located at, used in connection with or arising from the real property located at 323 Glover Road, Hamilton, ON.
 - (ii) Specific Security Agreement from Shaw Almex Global Holdings Limited providing charge on all present and after-acquired personal property located at, used in connection with or arising from the real property located at 5560 Corporate Exchange CT SE, Grand Rapids, Michigan 49512, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest.

The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.

Existing General Security Agreement from BDC 224177-02 to stand as security for the loan.

- 4. Corporate guarantee of Shaw Almex Fusion, LLC, Shaw Almex Chile SpA, Shaw Almex Mine Equip. (Tianjin) Co. Ltd., Shaw Almex Europe B.V., Almex Peru S.A.C., Almex Fusion de Mexico S de R.L. de C., Shaw Almex Pacific Pty. Ltd., Shaw Almex Africa Proprietary Limited, PT Shaw Almex Indonesia and Fonmar Group, S.L. (collectively the "Corporate Guarantors" or "Guarantors") for 100% of the loan balance outstanding. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees. Note: Corporate guarantees will not require their respective country based security documents or legal opinions.
- First registered general assignment of rents for each Mortgage securing this Loan. Rent may be paid to lessor until notified by BDC. No prepayment without BDC's approval.



DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 224175-01

 The Borrower's full contribution, if applicable shall be made in accordance with the Loan Purpose and Sources of Financing prior to or concurrently with the first disbursement of the BDC Loan.

Once all required Security is completed and Condition Precedents have been met, the loan will be disbursed to the appointed solicitor/notary when requested to close the transaction.

An amount of \$3,500 to be retained from disbursement proceeds as part of processing fee.

Unless otherwise indicated above, funds for each Loan account number shall be disbursed to BDC's solicitor or notary mandated by BDC for security taking for the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

- Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
- 2. Satisfactory review of all financial information relating to each Loan Party and its business as BDC may reasonably require.
- 3. No Default or Event of Default shall have occurred.
- 4. No Material Adverse Change shall have occurred.
- 5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
- 6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.

LAPSING DATE

Loan 224175-01

Lapsing Date: December 17, 2022 (the "Lapsing Date 01").

Any undisbursed portion of a Loan shall lapse and be cancelled on the occurrence of the earliest of the following events:

- a) on the applicable Lapsing Date indicated above; or
- b) on the date the Borrower notifies BDC of its intention to cancel the Loan; or
- on the date BDC issues a notice to the Borrower that an Event of Default has occurred and that BDC has terminated its obligation to make any further advances under the Loan.



Each of the above is hereby considered a "Lapsing Event" and shall be subject to Cancellation Fees as provided for in this Letter of Offer.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

- Non-trade transfers are not permitted between the Borrower and/or Corporate Guarantors, and the following companies or any other related party not part of the borrowing group, without the prior written consent of BDC:
 - Shaw Almex Overseas Ltd.;
 - Shaw Almex India PVT Ltd.;
 - Eternity Cabinets PVT Ltd.;
 - Shaw Almex Global Holdings Limited;
 - Shaw Almex Pacific Real Estate Holdings Pty Ltd.;
 - Shaw Almex Spain Real Estate Holdings, S.L.
 - Shaw Almex Africa Real Estate Holdings Pty Ltd.;
 - Shaw Almex Deutschland GmbH;
 - Almex Holdings, Inc.;
 - Rampart Detection Systems Ltd.

Annually, a certificate will be obtained from the external auditor to confirm that this clause has been respected.

- Based on the Consolidated audited annual financial statement for Shaw-Almex Industries Limited and review engagement financial statement for Shaw-Almex Global Holdings Limited and starting as of December 31, 2021:
 - (i) Maintain at all times a combined Fixed Charge Coverage Ratio (FCCR) equal to or greater than 1.15:1.00.
 - Consolidated audited financial statements to include financial statemenst for all the Corporate Guarantors.
- In the event that the Borrower and/or Corporate Guarantors form or acquire any new companies, the newly incorporated entities are to become Corporate Guarantors to BDC, at BDC's sole discretion.
- 4. You must obtain BDC's prior written consent before declaring or paying dividends or distributions in any form ouitside the Obligor Group.
- 5. Shaw-Almex Industries Limited to maintain minimum operating line of \$10,000,000 from a lender satisfactory to BDC during the duration of the loan.

An email confirmation from Account Manager of the operating lender shall be deemed satisfactory.

REPRESENTATIONS AND WARRANTIES

The Loan Parties make the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.



COVENANTS

Each Loan Party shall perform the covenants in Schedule "A" – Section III. These covenants shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

REPORTING OBLIGATIONS

The Borrower shall provide to BDC the following financial statements and other documents:

Company	Туре	Frequency	Period Ending
Shaw-Almex Industries Limited	Audited	Annual	December
Shaw Almex Global Holdings Limited	Review Engagement	Annual	December
Shaw-Almex Industries Limited - Consolidated	Consolidated Audited	Annual	December

The above annual financial statements and other documents indicated as required annually shall be provided to BDC within 150 days following the applicable Period Ending.

If financial statements or other documents are required more frequently than on an annual basis, same shall be provided to BDC within 30 days following each applicable Frequency.

In addition, the Borrower shall provide any other financial and operating statements and reports as and when BDC may reasonably require.

The Loan Parties also agree that the Reporting Obligations above shall apply to all other existing BDC loans to the same Borrower, if any, and the letter(s) of offer for such existing loans are deemed amended accordingly. Furthermore, such amended Reporting Obligations shall continue to be effective in respect of said existing letters of offer notwithstanding that this Letter of Offer may be reimbursed or cancelled.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "Event of Default"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security. Notwithstanding any other provision of this Letter of Offer or any other Loan Document, the parties hereto agree that the time limited for commencement of any action to enforce the obligations of the Borrowers and Guarantors, including the enforcement of any Security, shall not commence until BDC has issued a written demand for full payment of the Loan.

The exercise by BDC of any of its rights shall not preclude it from exercising any other rights resulting from this Letter of Offer or Loan Documents, as BDC's rights are cumulative and not alternative. No action or omission on the part of BDC shall constitute or imply a renunciation of its



rights to determine that a Default or Event of Default has occurred or to avail itself of its rights resulting therefrom.

FEES

Cancellation Fee

If the Loan is not fully disbursed due to a Lapsing Event, regardless of the reason for the Lapsing Event, the Loan Parties shall pay BDC a cancellation fee in proportion to the percentage of the Loan that is cancelled, based on the amount below being the fee if 100% of the Loan is cancelled. No cancellation fee will be payable if less than 50% of the Loan is cancelled. If the Loan includes funds to refinance an existing BDC Loan, those funds shall be excluded from the calculation of the percentage of the Loan that is cancelled.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Loan 224175-01

Cancellation Fee: \$60,000.00 (the "Cancellation Fee 01").

Standby Fee

The Loan Parties shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 224175-01

Rate: 1.50% per annum Date: February 17, 2022

Legal Fees and Other Expenses

The Loan Parties shall pay, on demand, all legal fees and expenses and other out-of-pocket costs of BDC, incurred in connection with the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Loan Parties.

All costs, fees, expenses and protective disbursements incurred for the enforcement of the Loan and the Loan Documents are payable by the Loan Parties, including the full amount of all legal and professional fees and expenses paid by BDC at the rate at which those amounts are billed to BDC.



Loan Management Fee

The Loan Parties shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change at BDC's sole discretion, acting reasonably, effective upon the Borrower's receipt of written notification from BDC, to cover additional costs or fees incurred in the management of the Loan, including, but not limited to, resulting from the Borrower's failure to remit financial statements or other documents as required under the Letter of Offer.

Loan 224175-01

\$1,000.00 per year (the "Management Fee 01").

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Loan Parties. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on each Loan Party and BDC and their respective permitted successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under the Loan or the Loan Documents to any third party, and the Loan Parties agree to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under the Loan Documents as if it were a party to them, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under the Loan or Loan Documents it assigns. BDC may disclose information it has in connection with the Borrower or any Loan Party to any actual or prospective transferee. No Loan Party shall have the right to assign any of its rights or obligations



under or pursuant to the Loan Documents without BDC's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be signed and accepted by an original ink signature or by electronic signature as permitted by BDC, and may be delivered on paper, fax, or in an electronic format (PDF) through BDC's electronic client portal, or any other electronic means of communication acceptable to BDC. It may also be signed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

The Letter of Offer includes Schedule "A" which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule "A" has been inserted after the signature page and forms an integral part of the Letter of Offer.

LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.

Wesley Hauck

Wesley Hauck Director, Corporate Financing Phone: (519) 585-3051 Fax: (519) 571-6685 Wesley.HAUCK@bdc.ca

Vasu Sood

Vasu Sood Director, Corporate Financing Phone: (905) 315-9239 Vasu.SOOD@bdc.ca



ACCEPTANCE

Each Loan Party hereby accepts the terms and conditions set forth above and in the attached Schedule "A".

This 3 day of December 20_. Shaw-Almex Industries Limited _, Authorized Signing Officer Name: [Please print name of signing party] GUARANTOR(S) Shaw Almex Africa Proprietary Limited Authorized Signing Officer Name: [Please print name of signing party] Fonmar Group, S.L. **Authorized Signing Officer** Name: [Please print name of signing party]

Almex Peru S.A.C.

Name: Tim of Sha [Please print name of signing party]	, Authorized Signing Officer
Almex Fusion de Mexico, S de R.L. de C.	
Name: Timoth Sha [Please print name of signing party]	, Authorized Signing Officer
Shaw Almex Pacific Pty. Ltd.	
Name: Timoth Sha [Please print name of signing party]	, Authorized Signing Officer
PT. Shaw Almex Indonesia	
The state of the s	, Authorized Signing Officer
Name: Tim of Shaw [Please print name of signing party]	
Shaw Almex Fusion, LLC	
The state of the s	, Authorized Signing Officer
Name: Timoth She	

[Please print name of signing party]

Shaw Almex Chile SpA	
Name: Timoth Show [Please print name of signing party]	, Authorized Signing Officer
Shaw Almex Mine Equip. (Tianjin) Co., Ltd.	
Name: Timoty Show [Please print name of signing party]	, Authorized Signing Officer
Shaw Almex Europe B.V.	
Name: Imothy Sha	, Authorized Signing Officer

[Please print name of signing party]

December 17, 2021

SECTION I - DEFINITIONS

A. General Definitions:

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" — means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Change of Control" – means any operation or series of transactions pursuant to which the Control of a Person is transferred from one Person to another or required by a Person, or any binding undertaking to proceed with any such operations.

"Control" – means the power to, directly or indirectly, acting alone or together with other Persons, direct or cause the direction of the management, business, affairs or policies of a Loan Party, whether through ownership of partnership interests, trust interests, or voting securities, by contract or otherwise, including, but without limiting the generality of the foregoing, in the case of a corporation, a Person is deemed to control a corporation if such Person (or such Person and its affiliates) holds, directly or indirectly, more than fifty per cent (50%) of the voting rights of the corporation. For the purposes of this definition, indirect control will include, without limitation, control that is exercised by one Person over another, through an intermediary that is controlled by the first.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" - means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"Equity Interests" – means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan or any portion of the Loan on a fixed interest rate plan, if, on the date of the prepayment, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

- (i) the difference between the two rates:
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the



principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the *Interest Act*.

"Interest Expiration Date" - means the date on which a fixed interest rate plan expires.

"Loan" - shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" - means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Loan Party" – means either the Borrower or the Guarantor and "Loan Parties" means collectively each of the Borrower and the Guarantor.

"Material Adverse Change" - means:

- (i) a material adverse change in or a material adverse effect upon, the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise), or prospects, of any Loan Party, or any Person who Controls a Loan Party;
- (ii) a material impairment of the ability of any Loan Party to perform any of their obligations under any Loan Document; or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, limited liability company, trust, joint venture, association, partnership, limited partnership, governmental authority or other entity, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative and any other form of organization or entity whatsoever.

"Public Issuer" – means any Loan Party whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

"Public Issuer Notice" – means a written notice delivered by a Public Issuer to BDC as described in the Covenants section of this Schedule "A".

B. Financial Definitions - the following definitions apply if used in this Letter of Offer:

"Adjusted EBITDA" – means EBITDA adjusted by gains/losses on disposal of assets, other non-cash adjustments presented in the statement of cash flow and all extraordinary items presented as per GAAP financial measures.

"ASPE" – means accounting standards for private enterprises. ASPE are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for private enterprises in Canada who have not elected to adopt IFRS.

"Available Funds" – means in respect of any Loan Party for any period of 12 months, the sum of the net profits before non-recurring or non-operating items that are not related to normal operations (as designated by the external accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" - means the ratio of Available Funds over the Current Portion of Term Debt.

"Capital Expenditures" – means, with respect to any period of 12 consecutive months, all payments or accruals for any (i) property, plant and equipment, (ii) intangible assets and (iii) development costs that are required to be capitalized under GAAP.

"Current Portion of Term Debt or CPTD" – means the scheduled principal payments on Term Debt and lease payments on capital leases over the next 12-month period.

"Debt-to-capital ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) the sum of (i) outstanding operating line of credit, (ii) Term Debt, and (iii) Tangible Equity.

"Distributions" - means, for any period of 12 consecutive months, the total of the following:



- (i) the payment or declaration of any dividend (or distribution in case of a partnership or trust);
- (ii) the purchase, redemption or other acquisition or retirement of any capital stock (including the premium paid);
- (iii) the change in subordinated loans or advances from the shareholders, partners, directors, or other related entities; and
- (iv) the change in loans or advances to the shareholders, partners, directors, or other related entities. The sum of items (i), (ii), (iii) and (iv) cannot be negative.
- "EBITDA" means earnings before Interest Expenses, taxes, depreciation, and amortization.
- "Fixed Charge Coverage Ratio or FCCR" means the ratio of (A) Adjusted EBITDA for such period less (i) current income taxes during such period taken from the annual financial statements, (ii) Unfunded Capital Expenditures incurred during the applicable period, (iii) Distributions paid during such period; by (B) the sum of (i) CPTD and (ii) the Interest Expenses for such period.
- "GAAP" means Generally Accepted Accounting Principles, with respect to broad principles and conventions of general application as well as rules and procedures that determine accepted accounting practices at a particular time (including, without limitation, IFRS, ASPE, US GAAP, etc., as the case may be). Unless otherwise specifically provided herein, any accounting term used in this Letter of Offer shall have the meaning customarily given such term in accordance with GAAP and all financial computations hereunder shall be computed in accordance with GAAP consistently applied.
- "IFRS" means International Financial Reporting Standards. IFRS are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for publicly accountable enterprises and other categories of reporting entities who are permitted, but not required, to apply this set of standards.
- "Interest Expenses" means financial expenses (i.e., bank charges as well as interest on short-term and long-term debt, on Subordinated Debt, and on capital leases) as reflected in the statement of earnings.
- "Subordinated Debt" means debt with or without a convertible feature and with or without a variable return that normally ranks behind that of the senior secured lenders. Depending on the structure, the instrument of return may include interest, fixed/variable bonuses, royalties, bonus equity, warrants, or dividends.
- "Tangible Equity" means the sum of the share capital (owners' capital for non-incorporated businesses); plus retained earnings (accumulated net income); plus contributed surplus; plus postponed loans or advances from the shareholders (owners) and related businesses; minus loans or advances to the shareholders (owners), directors, related or non-related entities; minus the book value of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.
- "Term Debt" means the sum of the long-term debt, the Subordinated Debt, and the capital leases including the current portion to be paid over the next 12 months; plus the redemption amount of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.
- "Term Debt to Tangible Equity Ratio" means the ratio of the Term Debt over the Tangible Equity.
- "Total Debt/Adjusted EBITDA Ratio" means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) Adjusted EBITDA.
- "Unfunded Capital Expenditures" means, with respect to any period of 12 consecutive months, the aggregate of all Capital Expenditures incurred less the sum of (i) net cash proceeds generated from the sales of tangible and intangible assets, (ii) issuance of net new Term Debt, and (iii) issuance of new equity.
- "Working Capital" means the total of current assets minus the total of current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.
- "Working Capital Ratio" means the ratio of the total current assets over the total current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

SECTION II - REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to BDC that:

- It is a sole-proprietorship, partnership, trust or corporation, as the case may be, duly constituted, validly existing
 and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws
 to be so registered or qualified.
- The execution, delivery, and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
- 3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
- 4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
- 5. No Default or Event of Default exists.
- 6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
- 7. There is no ongoing, pending or threatened claim, action, prosecution or proceeding of any kind before any court, tribunal, government board or agency including but not limited to non-compliance with environmental law or arising from the presence or release of any contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.
- 8. Neither the Loan Party, nor any Person who Controls the Loan Party, nor any officer, director or shareholder of a Loan Party, has been charged with, pled guilty to, or has been convicted of, a criminal offence (other than a conviction for which a Pardon has been granted or other than a criminal offence which has been disclosed in writing to BDC prior to issuing this Letter of Offer).
- 9. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III - COVENANTS

Each Loan Party shall:

- 1. Perform their obligations and covenants under the Loan Documents.
- 2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
- 3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
- 4. Comply with all applicable laws and regulations.
- 5. Observe BDC's insurance requirements:
 - a. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security;
 - b. Maintain adequate Marine and/or Aviation insurance for all secured Aircraft or Marine vessels;
 - c. If required as further Security, assign or hypothecate all insurance proceeds to BDC;
 - d. If requested by BDC, maintain adequate Commercial General Liability insurance, and/or Environmental Liability and Clean-Up insurance, including BDC as additional insured to protect it against any losses or claims arising from pollution or contamination incidents, or other risks associated with the Borrower's business, or any other type of insurance BDC may reasonably require;
 - e. Ensure that all insurance policies include a 30-days prior notice of cancellation clause in favour of BDC;
 - f. Provide certificates of insurance for all such policies; and
 - g. Maintain all insurance policies in effect to BDC's standards for the duration of the Loan.



- 6. Notify BDC immediately of any material loss or damage to their property.
- 7. Without limiting the generality of paragraph 4 above, in relation to their business operations, projects and all assets of any nature, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
- 8. Promptly pay all government remittances, assessments and taxes and provide BDC with proof of payments as BDC may request from time to time. Specifically regarding real estate property or other taxes on lands mortgaged to BDC, if a Loan Party fails to pay any instalment of such taxes when due, BDC may, in its sole discretion, provide written notice to the Borrower requiring the Loan Parties to pay BDC monthly payments as calculated by BDC to establish a tax reserve account, and in such event, the Loan Parties hereby authorize BDC to collect monthly pre-authorized payments and to pay the relevant taxing authority as required. No further consent from the Loan Parties shall be required. Should there be insufficient funds to satisfy the taxes owing, the Loan Parties will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. The Loan Parties shall either instruct the taxing authority to forward a copy of the tax notice to BDC or shall deliver a copy to BDC upon receipt. Funds in this reserve account will earn interest in accordance with BDC's policy then in effect and will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing responsibility to pay the taxes and any funds in the reserve account may be applied towards any amounts owing to BDC.
- Promptly furnish to BDC such information, reports, certificates, and other documents concerning any Loan Party
 as BDC may reasonably request from time to time, including, but not limited to, information regarding the
 ownership and control of any Loan Party.
- 10. Not, without the prior written consent of BDC:
 - a. Change the nature of their business;
 - b. Change their jurisdiction of incorporation, formation or continuance, or the jurisdiction in which their chief place of business, chief executive office or registered office is located;
 - Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell
 or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any
 operating license, or
 - d. Permit or allow any transaction, including but not limited to the sale, transfer, or issuance of an Equity Interest, that would result in a Person who is not a Loan Party acquiring:
 - (i) a direct Equity Interest in a Loan Party; or
 - (ii) an indirect Equity Interest in a Loan Party of 25% or more. For the purposes of this subparagraph (ii), an indirect Equity Interest means an Equity Interest held by a Person through one or more intermediaries.

This paragraph (d) shall not apply to the sale, transfer, or issuance of any Equity Interests in a Public Issuer.

- 11. When a Loan Party is Public Issuer:
 - a. deliver a notice to BDC for its review and approval, within 5 business days after any Person or group of Persons, acting jointly or in concert, directly or indirectly, acquire Equity Interests resulting in the ownership of 20% or more of the Equity Interests of such Public Issuer. This Public Issuer Notice shall contain the names and addresses of any Person or group of Persons that acquired such Equity Interests together with the details of the Equity Interests so acquired; and
 - b. repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days from the date on which BDC notifies the Borrower in writing that BDC, in its sole discretion, is not satisfied with the issuance or transfer of Equity Interests identified in the notice required by paragraph (a) above.

Additional Covenants: Ineligible Activities

In addition to the above list of Covenants, no Loan Party shall engage in, or permit their respective shareholders, directors or officers to engage in, or permit their premises to be used by a tenant or other Person for, any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

a. businesses that: 1) are engaged in or associated with illegal activities or fail to comply with applicable Canadian legislation that restricts dealings, including trade, between Canadians and governments or



residents of countries that are proscribed by the Canadian government or illegally trade in proscribed goods; 2) violate applicable laws with respect to human rights, labour, the environment and anti-corruption; or 3) violate standards with respect to public health and safety or professional conduct, in each case as prescribed by applicable law or by a professional governing body;

b. businesses that promote violence, incite hatred, or discriminate on any basis protected under the Canadian Human Rights Act; or

c. businesses that operate any form of sexually exploitive business or disseminate media content that is sexually explicit.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this section shall also apply to any entity that directly or indirectly controls, is controlled by, or that is under the common control with, any Loan Party.

SECTION IV - EVENTS OF DEFAULT

- 1. Any Loan Party fails to pay any amount owing under or pursuant to the Loan Documents.
- 2. Any Loan Party fails to satisfy, comply with, or perform any covenant or other obligation under the Loan Documents.
- Any Loan Party is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied or unwaived after any cure period provided in such other agreement.
- 4. Any representation or warranty made by any Loan Party herein or in any other Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
- Any schedule, certificate, financial statement, report, notice or other writing furnished by or on behalf of any Loan Party to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
- The occurrence of a Material Adverse Change.
- 7. Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of such Loan party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.
- 8. Any Loan Party ceases or threatens to cease to carry on all or a substantial part of its business.
- 9. The death of any individual Loan Party or any person that Controls any Loan Party.
- 10. The occurrence of a Change of Control of a Loan Party without BDC's written consent.
- 11. Any Loan Party, who is a Public Issuer, fails to deliver a Public Issuer Notice when required to do so, or fails to repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days after receiving written notice that BDC is not satisfied with the Public Issuer Notice.
- 12. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
- 13. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of trade and economic sanctions imposed by the Parliament of Canada.



SECTION V - GENERAL TERMS AND CONDITIONS

Each Loan Party agrees to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC's other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the date on which the written request is received by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, BDC reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans – Not applicable to Equipment Line Loans

If the Borrower selects a floating rate interest plan at the time the Letter of Offer is accepted and subsequently switches to a fixed interest rate plan, the Standby Fee applicable to the Loan shall become payable as follows:

- a. if the change is made within 2 months after the Loan Authorization Date, the Standby Fee shall become payable 2 months after the Loan Authorization Date; or
- b. if the change is made more than 2 months after the Loan Authorization Date, the Standby Fee shall become payable on the date the new fixed interest plan takes effect.

There will be no change to the Standby Fee payment schedule if the Borrower elects to switch from a fixed rate interest plan to a floating rate interest plan.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC's Base Rates then in effect for the fixed interest rate plans available. Not later than on the current Interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC's floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment

All payments provided for in the Letter of Offer must be made by pre-authorized payments from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

- 1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
- 2. protective disbursements;
- 3. standby fees (arrears and current);
- 4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
- 5. current balances, in the following order: transaction fees, management fees, interest and principal;
- 6. cancellation fees;
- 7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
- 8. other amounts due and payable.



Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

The Loan Parties hereby consent to BDC:

- collecting personal and business information and using such information for business, analytics and marketing purposes as described in the *Policy on confidentiality and use of personal and business* information (the "Policy") available at <u>bdc.ca/en/confidentiality</u>;
- sharing the personal and business information with BDC service providers only for them to provide the services BDC asks from them, such as processing credit verification, background checks and other matters explained in the Policy; and
- c. sharing the personal and business information with authorities in case of fraud or suspected fraud, and with other financial institutions to prevent or control fraud or when there is a breach of a financing agreement with BDC.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Loan Party shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents in accordance with the provisions thereof.

Anti-Money Laundering/Know Your Client

Each Loan Party acknowledges that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Loan Parties, their directors, authorized signing officers, shareholders and other Persons in Control of each Loan Party. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

Confidentiality

The Loan Parties shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Loan Party adopts any changes in its accounting standards which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.





BDCID: 10036860806

March 22, 2024

Mr. Ryan Neufeld Shaw Almex Global Holdings Limited 323 Glover Rd Stoney Creek, ON L8E 5M2

Re: BDC Loan 224177-01 and 224177-02

Dear Mr. Neufeld:

We write in reference to our Letters of Offer for Loans No. 224177-01 and 224177-02, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loans.

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than March 29, 2024.

Amendments - Loan No. 224177-01:

REPAYMENT

Outstanding principal balance of this Loan, being \$1,764,330.00 is now repayable as follows:

Regular

	Payments	044 D-4-		
Number	Frequency	Amount (\$)	Start Date	End Date
224	Monthly	7,842.00	01/07/2024	01/02/2043
1	Monthly	7,722.00	01/03/2043	01/03/2043

Accordingly, the final payment will be due on March 01, 2043, (the "Maturity Date"). Interest remains payable monthly.

All payments are to be made on the 1st day of the month (the "Payment Date"). This change will come into effect six (6) working days after the date of this letter.



Amendments - Loan No. 224177-02:

REPAYMENT

Outstanding principal balance of this Loan, being US \$949,050.00 is now repayable as follows:

Regular

	Payments			
Number	Frequency	Amount (US \$)	Start Date	End Date
285	Monthly	3,330.00	01/07/2024	01/03/2048

Accordingly, the final payment will be due on March 01, 2048, (the "Maturity Date"). Interest remains payable monthly.

All payments are to be made on the 1st day of the month (the "Payment Date"). This change will come into effect six (6) working days after the date of this letter.

All other terms and conditions of your financing with BDC remain unchanged.

We confirm that we have informed you and you have agreed that a transaction fee in the amount of \$2,000.00 will be automatically withdrawn from your account on your next payment date.

Yours truly.

Robert Prince

Robert Prince
Director, Business Restructuring
Phone: (506) 874-0863
robert.prince@bdc.ca

René Leduc

René Leduc Vice President, Business Restructuring

Encl.

Business Development Bank of Canada 1234 Main St., 5th floor Moncton, NB E1C 1H7

Attention: Robert Prince

Re: BDC Loan 224177-01 and 224177-02

ent dated

The undersigned accept the terms and conditions se March 22, 2024.	et forth in BDC's Letter of Amendme
Signed this $\frac{22}{\text{(date)}}$ day of $\frac{\text{March}}{\text{(month)}}$, $\frac{24}{\text{(year)}}$	<u>f</u> .
BORROWER	
Name: [Please print name of signing party]	, Authorized Signing Officer
GUARANTORS	
Shaw Almex Africa (Pty) Ltd.	
Name: [Please print name of signing party]	, Authorized Signing Officer

Fonmar Group, S.L.	
Name: [Please print name of signing party]	, Authorized Signing Officer
Shaw-Almex Industries Limited	
Name: [Please print name of signing party]	, Authorized Signing Officer
Almex Peru S.A.C.	
The state of the s	, Authorized Signing Officer
Name: Timothy	
[Please print name of signing party]	

Almex Fusion de Mexico, S de R.L. de C.	
Name: [Please print name of signing party]	, Authorized Signing Officer
Shaw Almex Pacific Pty. Ltd.	
The Share	, Authorized Signing Officer
[Please print name of sighing party]	
PT. Shaw Almex Indonesia Name:	, Authorized Signing Officer
[Please print name of sighing party] Shaw Almex Fusion, Luc	
Name:Shan	, Authorized Signing Officer
[Please print name of signing party]	

_, Authorized Signing Officer
_, Authorized Signing Officer
_, Authorized Signing Officer

THIS IS **EXHIBIT "T"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

LAND
REGISTRY
OFFICE #42

52183-0395 (LT)

PREPARED FOR DebraWorr
ON 2025/04/24 AT 08:07:51

PAGE 1 OF 3

PIN CREATION DATE:

2009/09/21

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION:

PT LT 144 CON B FOLEY PT 1 PSR1703, PT 1 42R3284 & AS IN R037034; SEGUIN

PROPERTY REMARKS:

PLANNING ACT CONSENT AS IN RO44417.

ESTATE/QUALIFIER:

FIRST CONVERSION FROM BOOK

FEE SIMPLE

OWNERS' NAMES

LT CONVERSION QUALIFIED

CAPACITY SHARE

RECENTLY:

ROWN

SHAW-ALMEX INDUSTRIES LIMITED

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					11401125 10	o.ii.b
** PRINTOUT	INCLUDES AL	L DOCUMENT TYPES AND	DELETED INSTRUMENT.	S SINCE 2009/09/18 **		
**SUBJECT,	ON FIRST REG.	ISTRATION UNDER THE	LAND TITLES ACT, TO			
**	SUBSECTION 4	4(1) OF THE LAND TIT	LES ACT, EXCEPT PAR	AGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		
**	AND ESCHEATS	OR FORFEITURE TO THE	E CROWN.			
**	THE RIGHTS OF	F ANY PERSON WHO WOU.	LD, BUT FOR THE LAN	D TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		
**	IT THROUGH L	ENGTH OF ADVERSE POS.	SESSION, PRESCRIPTION	DN, MISDESCRIPTION OR BOUNDARIES SETTLED BY		
**	CONVENTION.		,			
**		MUTCH THE CHROTOTA	70/2) OF THE DECT	CMDV 46M ADDITEC		
		WHICH THE SUBSECTION		PIRI ACT APPLIES.		
**DATE OF C	ONVERSION TO	LAND TITLES: 2009/0	9/21 ** 			
R037034	1967/05/31		\$2		SHAW-ALMEX INDUSTRIES LIMITED	С
RE.	MARKS: SKETCH	ATTACHED.				
PSR1703	1969/08/15	PLAN REFERENCE				С
RO44417	1969/12/31	TRANSFER	\$2		SHAW-ALMEX INDUSTRIES LIMITED	С
42R3284	1973/06/04	PLAN REFERENCE				C
	19/3/06/04	PLAN REFERENCE				
RO57322	1973/06/20	TRANSFER	\$2		SHAW-ALMEX INDUSTRIES LIMITED	С
RO215697	2008/10/01	CHARGE		*** COMPLETELY DELETED ***		
					ROYNAT INC.	
RO216718	2008/12/22	CHARGE		*** COMPLETELY DELETED ***	ROYNAT INC. AND ROYNAT CAPITAL INC.	
					NOTATI INC. THE NOTATI CALITAL INC.	
RO217656	2009/04/02	CHARGE		*** COMPLETELY DELETED ***	921673 ONTARIO INC.	

401



LAND
REGISTRY
OFFICE #42

52183-0395 (LT)

PREPARED FOR DebraWorr
ON 2025/04/24 AT 08:07:51

PAGE 2 OF 3

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

DEC NUM	DAME	TNOMDLIMENT MYDE	AMOUNT	RTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESE		CERT/
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHKD
RO217657	2009/04/02	CHARGE		*** COMPLETELY DELETED ***	1045818 ONTARIO INC.	
GB26006	2009/10/14	DEBENTURE		*** COMPLETELY DELETED *** SHAW-ALMEX INDUSTRIES LIMITED	ROYNAT INC. ROYNAT CAPITAL INC.	
RE.	MARKS: RO216	18			NOTIFIE THE THE	
GB90669	2016/04/08	CHARGE		*** COMPLETELY DELETED *** SHAW-ALMEX INDUSTRIES LIMITED	ROYNAT INC.	
GB90670		POSTPONEMENT		*** COMPLETELY DELETED *** 921673 ONTARIO INC.	ROYNAT INC.	
RE.	MARKS: RO2176	56 TO GB90669				
		POSTPONEMENT		*** COMPLETELY DELETED *** 1045818 ONTARIO INC.	ROYNAT INC.	
KE.	MARKS: ROZI/6	57 TO GB90669				
	2021/09/23 MARKS: RO2156	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC.		
		DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC. AND ROYNAT CAPITAL INC.		
RE.	MARKS: RO2167	118.				
GB146604	2021/09/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC. ROYNAT CAPITAL INC.		
RE.	MARKS: GB2600	6.				
GB146605	2021/09/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC.		
RE.	MARKS: GB9066	59.				
GB149842	2021/12/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** SHAW-ALMEX INDUSTRIES LIMITED		
RE.	MARKS: RO2176	56.				
GB149843	2021/12/22	DISCH OF CHARGE		*** COMPLETELY DELETED ***		
RE.	MARKS: RO2176	57 .		SHAW-ALMEX INDUSTRIES LIMITED		

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LAND
REGISTRY
OFFICE #42

52183-0395 (LT)

PREPARED FOR DebraWorr
ON 2025/04/24 AT 08:07:51

PAGE 3 OF 3

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
GB150129	2022/01/07	CHARGE	\$2,000,000	SHAW-ALMEX INDUSTRIES LIMITED	BUSINESS DEVELOPMENT BANK OF CANADA	С
GB150130	2022/01/07	NO ASSGN RENT GEN		SHAW-ALMEX INDUSTRIES LIMITED	BUSINESS DEVELOPMENT BANK OF CANADA	С
REI	MARKS: GB1501	29				
GB150957	2022/02/03	NO SEC INTEREST	\$159,754	CWB NATIONAL LEASING INC.		C

THIS IS **EXHIBIT "U"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann



July 14, 2021

Shaw-Almex Industries Limited 323 Glover Road Stoney Creek, Ontario L8E 5M2

Attention of: Mr. Ryan Neufeld

Re: Amended and Restated Letter of Offer of financing no. 150288-01 granted to Shaw-Almex Industries Limited

Sir,

We, BDC Capital Inc. ("BDC Capital"), a wholly owned subsidiary of Business Development Bank of Canada (the "Bank") write in reference to our letter of offer dated February 4, 2019 related to Financing No. 150288-01, as amended by letters dated June 11, 2019, December 5, 2019, February 6, 2020, April 1, 2021, May 10, 2021, May 17, 2021 and June 1, 2021 (collectively, the "Original Letter"). This letter (the "Letter of Offer") amends, restates and supersedes the Original Letter from and after the acceptance hereof and sets out the terms and conditions of the following financing (the "Financing"). Subject to the acceptance of this Letter of Offer, BDC Capital is prepared to grant the following Financing.

FINANCING PURPOSE Working Capital	\$4,700,000.00
	\$4,700,000.00
FUNDING BDC Capital	\$4,700,000.00
	\$4,700,000.00

No change to the Financing purpose or funding may be made without BDC Capital's prior written consent. The proceeds of the Financing may only be used for this Financing purpose.

The Letter of Offer is open for acceptance until July 21, 2021 (the "Acceptance Date"). Unless the Letter of Offer executed by the Financing Parties is received by BDC Capital no later than the Acceptance Date, this Letter of Offer shall automatically become null and void and the Original Letter will continue to apply.

BORROWER:

Shaw-Almex Industries Limited (the "Borrower").

GUARANTORS:

Almex Peru S.A.C., Almex Fusion de Mexico, S. de R.L. de C.V., Shaw Almex Pacific Pty. Ltd., PT Shaw Almex Indonesia, Shaw Almex Fusion, LLC, Shaw Almex Europe B.V., Shaw Almex Mine Equip (Tianjin) Co., Ltd., Shaw Almex Chile SpA, Fonmar Group, S.L.., jointly and severally (collectively the "Corporate Guarantor")

(the Corporate Guarantor are also sometimes collectively referred to herein as the "Guarantors").

FINANCING AMOUNT:

\$4,700,000.00, in Canadian currency.

INTEREST RATE:

The Financing and all other amounts owed by the Financing Parties pursuant to the Financing Documents for which an applicable rate is not otherwise provided for herein shall bear interest at the following rate:

Floating Rate

BDC Capital's Floating Base Rate plus a variance (the "Variance") of 2.750% per year. On the date hereof, BDC Capital's Floating Base Rate is 4.550% per year.

INTEREST CALCULATION: Interest shall be calculated daily on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, default and judgment.

Arrears of interest or principal and all other amounts owing by the Financing Parties pursuant to the Financing Documents shall bear interest at the rate applicable to the Financing, and shall be calculated daily and compounded monthly.

MATURITY DATE:

September 15, 2027 or the date on which the last principal payment hereunder is scheduled to be made, whichever date comes last, as amended from time to time (the "Maturity Date").

REPAYMENT:

Instalments

Principal of the Financing shall be payable by way of consecutive monthly instalments commencing on October 15, 2021 and continuing up to and including the Maturity Date. The amounts of such principal instalments are as follows:

Amount of Instalment

\$65,830.00

\$65,270.00

Instalments Nos.

1

1 2 - 72

Accrued interest is payable monthly on the 15th day of the month (the "Payment Date") commencing on the next occurring Payment Date following the first advance on the Financing.

On the Maturity Date, the balance of the Financing in principal and interest and all other amounts owing pursuant to the Financing Documents will become due and payable.

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Provided that the Borrower is not in default and subject to the following, the Borrower may repay up to 15% of the then outstanding capital of the Financing without having to pay the Prepayment Bonus referred to in the "Prepayment" section of the Letter of Offer (the "Indemnities"). This privilege (hereinafter the "Privilege") may be exercised at any time after a period of one year has elapsed from April 1, 2021. Thereafter, the Privilege will not be cumulative, and each subsequent exercise must be at least 12 months after the last exercise. Notwithstanding the foregoing, if the Borrower was to proceed to a prepayment within 90 days following the exercise of the last Privilege, it is expressly agreed that the calculation of the Indemnities would therefore be made using the then outstanding capital of the Financing to which would be added the amount repaid at the time of the exercise of the most recent Privilege.

If such a payment causes the Borrower to fail to comply with debt covenants and financial requirements required by the Borrower's operating or term lender, if shall be paid only to an amount that does not put the Borrower in default with debt covenants and financial requirements required by the Borrower's operating or term lender.

The Borrower may also repay up to \$2,000,000.00 of the then outstanding capital of the Financing without having to pay the Prepayment Bonus referred to in the "Prepayment" section of the Letter of Offer, provided that all of the following conditions are met:

- a) The Borrower is not in default; and
- b) This prepayment is received by BDC Capital within twelve (12) months from the date of the first disbursement of this Financing; and
- c) The source of funds used for this repayment is refinancing of real estate term debt at the following locations:
- i. 17 Shaw Almex Drive, Parry Sound, Ontario P2A 2W4; and
- ii. 323 Glover Road, Stoney Creek, Ontario L8E 5M2.

If such a payment causes the Borrower to fail to comply with debt covenants and financial requirements required by the Borrower's operating or term lender, it shall be paid only up to an amount that does not put the Borrower in default with debt covenants and financial requirements required by the Borrower's operating or term lender.

PREPAYMENT:

The Borrower may prepay at any time all or part of the outstanding principal provided that the Borrower pays to BDC Capital:

- (i) the full or partial amount of the Financing, as applicable,
- (ii) all interest and any other fees or expenses then due, and
- (iii) the Prepayment Bonus.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

The occurrence of any event of default listed in Schedule A – SECTION VI resulting in BDC Capital demanding payment of the Financing prior to the Maturity Date will be deemed to be a prepayment, and the Borrower will pay to BDC Capital:

- (iv) the outstanding balance of the Financing,
- (v) all interest and any other fees or expenses then due, and

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(vi) the Prepayment Bonus.

SECURITY:

As collateral security for the fulfilment of all present and future obligations of the Borrower and the Corporate Guarantor, each Financing Party, as applicable, shall provide BDC Capital with the following security or guarantees (collectively the "Security"), namely:

- a) a General Security Agreement, granting a general and continuing security interest in all of the Borrower's present and after acquired personal property and, without limiting the foregoing, on all present and future assets of the Borrower related to intellectual property of the Borrower including, without limitation, patents, trademarks, domain names, source codes, licences and any other forms of intellectual property including those already known (the "Intellectual Property"). This security interest shall be subordinated in rank to the security granted: i) on Intellectual Property, ii) on claims, receivables and inventory in favour of the financial institution financing the Borrower's line of credit for its daily operations, iii) previously to financial institutions and iv) on specific assets in connection with the financing of equipment needed by the Borrower in the normal course of its business;
- b) a General Security Agreement or General Security Agreement equivalent, granting a general and continuing security interest in all of the following entities' present and after acquired personal property:

 Shaw Almex Pacific Pty Ltd., an entity domiciled in Australia;
 Shaw Almex Fusion, LLC, an entity domiciled in the USA;
 This security interest shall be subordinated in rank to the security granted to the senior lender;
- a General Security Agreement or General Security Agreement equivalent, granting a general and continuing security interest in all of the following entities' present and after acquired inventory and equipment assets:
 -Shaw Almex Chile SpA, an entity domiciled in Chile;
 This security interest shall be subordinated in rank to the security granted to the senior lender;

The Borrower and Corporate Guarantor agree not to pledge the cash accounts receivable of Shaw Almex Chile SpA as security to any other financial institutions or other financing sources with the prior written consent of BDC Capital;

- a duly executed in-country, foreign guarantee for an amount limited to 100% of the amount due pursuant to the Financing Documents on the date BDC Capital demands payment under this guarantee from the following entities, in a form substantially similar to the draft guarantee annexed hereto as Schedule B;
 - -Shaw Almex Pacific Pty Ltd., an entity domiciled in Australia;
 - -Shaw Almex Fusion, LLC, an entity domiciled in the USA;
 - -Shaw Almex Chile SpA, an entity domiciled in Chile;

-Fonmar Group, S.L., an entity domiciled in Spain; An in-country, foreign legal opinion of enforceability is required for each guarantee above;

- e) within ninety (90) days after the initial advance of the Financing, provide a duly executed in-country, foreign guarantee for an amount limited to 100% of the amount due pursuant to the Financing Documents on the date BDC Capital demands payment under this guarantee from the following entities, in a form substantially similar to the draft guarantee annexed hereto as Schedule B:
 - -Almex Fusion de Mexico, S. de R.L. de C.V., an entity domiciled in Mexico;
 - PT Shaw Almex Indonesia, an entity domiciled in Indonesia;
 - -Shaw Almex Europe B.V., an entity domiciled in the Netherlands;
 - Almex Peru S.A.C., an entity domiciled in Peru;

An in-country, foreign legal opinion of enforceability is required for each guarantee above;

- f) a duly executed Canadian form of guarantee for an amount limited to 100% of the amount due pursuant to the Financing Documents on the date BDC Capital demands payment under this guarantee from the following entity, in a form substantially similar to the draft guarantee annexed hereto as Schedule B; - Shaw Almex Mine Equip. (Tianjin) Co., Ltd., an entity domiciled in China. Legal opinion is not required for this guarantee;
- g) Assignment to BDC Capital of a Life insurance policy owned by the Borrower on the life of Timothy Glen Shaw in the coverage amount of \$4,000,000.00 with BDC Capital also named as beneficiary thereof. BDC Capital acknowledges that the Life insurance policy will be obtained on a best efforts basis. Any amount not obtained as part of the Life insurance policy will be substituted with an Accidental Life insurance policy for the amount of the difference with BDC Capital also named as beneficiary thereof. Such assignment may be delivered to BDC Capital no later than 30 days following the disbursement of the Financing;
- h) a duly executed assignment, postponement and subordination agreement in favour of BDC Capital with respect to any amount of capital and interest payments from received loans or issued notes owed by the Borrower and/or the Corporate Guarantor to any of its shareholders, the Corporate Guarantor and/or any other related parties. So long as all BDC Capital and senior lender covenants are adhered to both pre- and post-the payment, principal payments up to \$500,000/year and/or interest may be paid at a maximum of 5% annually. Any amount of the \$500,000 paid out in this regard to Timothy Glen Shaw shall be offset by an equal reduction to Timothy Glen Shaw's other remuneration to a maximum of \$500,000;
- a duly executed assignment, postponement and subordination agreement in favour of BDC Capital by the holders of any preferred shares or redeemable shares of the Borrower and/or the Corporate Guarantor for shares issued as of



November 16, 2018. So long as all BDC Capital and senior lender covenants are adhered to both pre- and post-the payment, the Borrower may purchase up to \$700,000 of redeemable shares from the Estate of Doris Shaw annually;

j) Any other security or such other documents as BDC Capital may reasonably request, including in order to register and/or to perfect the Security to be granted to BDC Capital as provided hereunder.

All security documents shall be in form and substance satisfactory to BDC Capital and prepared by BDC Capital's legal counsel.

CONDITIONS PRECEDENT TO DISBURSEMENT:

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the entire satisfaction of BDC Capital:

Receipt by BDC Capital of:

- The Security in form and substance satisfactory to BDC Capital, registered as required to perfect and maintain the validity and rank of the Security, and such certificates, authorizations, resolutions and legal opinions as BDC Capital may reasonably require, including legal opinions on the existence and corporate capacity of the Financing Parties as well as on the validity and enforceability of the Security;
- Written evidence, including evidence of payment, attesting that the Financing Parties
 have obtained all the other sources of financing, as applicable, on terms acceptable to
 BDC Capital, acting reasonably;
- Financial and other information relating to each Financing Party and their businesses as BDC Capital may reasonably require, including, without limiting the foregoing, for any disbursement occurring more than one hundred and fifty (150) days after year end, the Borrower and Corporate Guarantor will provide BDC Capital with Consolidated audited annual financial statements and the compliance certificate of the Borrower provided to the senior lender, no older than 30 days.

Completion to the satisfaction of BDC Capital of the following events:

-Legal due diligence of the Financing Parties.

Furthermore, without limiting the foregoing, prior to the disbursement of the Financing:

i) No Material Adverse Change in the financial situation of the Financing Parties or in the risk evaluation shall have occurred as at the date of any disbursement of the Financing and the Borrower and the Corporate Guarantor shall provide updated consolidated inhouse financial statements never older than 60 days which compare favourably with budgets provided and which show no Material Adverse Change in the financial situation of the Borrower or the Corporate Guarantor since the last consolidated audited financial statements submitted to BDC Capital and the consolidated internal financial statements submitted to BDC Capital at the time of authorization.

X

The above mentioned updated in-house financial statements will also need to evidence the accomplishment of the following milestones:

90% of the projected consolidated sales and EBITDA outlined in the forecast provided at authorization; however, taking into consideration funding by BDC Capital and the senior lender are delayed.

ii) If disbursement occurs more than 150 days after the Borrower and/or the Corporate Guarantor's fiscal year-end, the Borrower and the Corporate Guarantor must provide consolidated audited financial statements for the Borrower and the Corporate Guarantor which show, in BDC Capital's sole opinion, no Material Adverse Change in the financial position since the last consolidated audited financial statements submitted to BDC Capital and the consolidated internal financial statements submitted to BDC Capital at the time of authorization.

The above mentioned consolidated audited financial statements will also need to evidence

the accomplishment of the following milestones:

90% of the projected consolidated sales and EBITDA outlined in the forecast provided at authorization; however, taking into consideration funding by BDC Capital and the senior lender are delayed.

- iii) Provide from HSBC a signed letter confirming:
- a) The line of credit remains in place for \$9,300,000, with no material change to the terms and conditions in the Third Amended and Restated Facility Letter dated December 19, 2019 and First Amendment to the Third Amended and Restated Facility Letter dated March 20, 2020;
- b) The Borrower meets all financial covenants on pro-forma basis based on the most recent forecast provided, satisfactory to BDC Capital;
- c) Post-closing opening borrowing base calculation.

The letter is to be reviewed by, and acceptable to, BDC Capital and its external legal advisors in their sole discretion.

- iv) Provide the Borrower's:
- a) Most recent borrowing base certificate with HSBC;
- b) Borrowing base availability on a historical basis for the past 12 months, based on the HSBC borrowing base calculation;
- c) Borrowing base availability on a forecast basis for 12 months, based on the new borrowing base calculation of the senior lender replacing HSBC. The above to be satisfactory to BDC Capital.
- v) Remit to BDC Capital all unpaid amounts on the account related to standby fees.
- vi) Provide written confirmation that Fonmar, S.A. and Comercial Faven S.A. have been amalgamated with Fonmar Group, S.A., and that Fonmar Group, S.L., the successor to Fonmar Group, S.A. is the only remaining related operating company domiciled in Spain, satisfactory to BDC Capital and its legal counsel. Any and all changes to the ownership chart are subject to BDC Capital's standard "Know Your Client" policies and procedures, satisfactory to BDC Capital in its sole discretion.

X

vii) Provide a copy of the Borrower and/or Corporate Guarantor's compliance certificate provided to the chartered bank or operating lender, including borrowing base and financial

covenant calculations, no older than 30 days, satisfactory to BDC Capital;

- viii) Provide the following completed and signed forms dated after March 22, 2021:
- a) Applicant's Declaration on Sanctioned and High Risk Countries;
- b) Social Responsibility Declaration.

All forms and information provided must be satisfactory to BDC Capital in its sole discretion, and may be subject to further due diligence following BDC Capital's standard policies and procedures and in accordance with international sanctions.

- ix) The Borrower and the Corporate Guarantor must provide a draft version of the consolidated audited financial statements for the Borrower and the Corporate Guarantor for the year ended December 31, 2020, which show, in BDCC's sole opinion, no Material Adverse Change in the financial position since the last consolidated audited financial statements submitted to BDCC and the consolidated internal financial statements for the year ended December 31, 2020 that were submitted to BDCC on March 12, 2021.
- x) All the representations and warranties made by the Borrower or the Corporate Guarantor and its representatives shall be true and exact as at the date of any disbursement of the Financing and a certificate to that effect must be signed by the Borrower and the Corporate Guarantor and its representatives prior to any such disbursement.
- xi) The Borrower and the Corporate Guarantor shall have transferred in favour of BDC Capital all the rights which the Borrower and the Corporate Guarantor holds in any all-risk insurance, including fire insurance, policies affecting its assets, BDC Capital being designated by the Borrower and the Corporate Guarantor as loss payee on such policies for the full amount of the Financing.
- xii) The Financing Parties shall not be (i) in default pursuant to the terms of any other contract, agreement or obligation entered into or executed in favour of BDC Capital nor (ii) in default under any other agreement with any third party for the granting of a loan or other financial assistance.

UNDERLYING CONDITIONS:

So long as any amount owing pursuant to the Financing Documents remains unpaid, the following conditions shall be met:

- a) Requested documents:
 - The Borrower shall remit to BDC Capital its annual audited financial statements, on a consolidated basis, within 150 days after the end of their respective financial year;
 - Each of the Borrower, Shaw Almex Pacific Pty. Ltd. and Shaw Almex Fusion, LLC, shall remit to BDC Capital its annual Audited financial statements, on a separate basis, within 120 days after the end of their respective financial year;

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- (iii) Each of Almex Peru S.A.C., Almex Fusion de Mexico, S de R.L. de C.V., PT. Shaw Almex Indonesia, Comercial Faven, S.A., Shaw Almex Chile SpA, Shaw Almex Mine Equip. (Tianjin) Co., Ltd., Shaw Almex Europe B.V. and Fonmar Group, S.L. shall remit to BDC Capital its annual Notice to Reader (prepared by a CPA) financial statements, on a separate basis, within 120 days after the end of their respective financial year;
- (iv) The Borrower shall remit to BDC Capital its internal financial statements, on a quarterly basis, on a consolidated basis, within 45 days after the end of quarters 1, 2 and 3 and within 60 days after the end of quarter 4 (i.e. fiscal year-end);
- (v) The quarterly internal financial statements remitted to BDC Capital shall have a comparative section with the results of the corresponding period of the last financial year;
- (vi) Each of the Borrower and the Corporate Guarantor shall remit further to any change in the enterprise or on demand to BDC Capital (i) a corporate ownership chart, (ii) an organizational chart and (iii) an updated list of employees reporting to the President and CEO;
- (vii) Each of the Borrower and the Corporate Guarantor shall remit annually to BDC Capital a listing of all aged accounts payable and accounts receivable with a copy of the approved annual budget;
- (viii) The Borrower shall remit to BDC Capital its compliance certificate, including financial covenant calculations provided to the senior lender, on a monthly basis, within 45 days after the end of each month;
- b) Each of the Financing Parties must provide BDC Capital, as quickly as possible, with the financial statements and reports and any other financial information that BDC Capital may reasonably require from time to time.

In addition, so long as any amount owing under or pursuant to the Letter of Offer or any other Financing Document remains unpaid, the financial ratios mentioned below must be met at all times by the Borrower and the Corporate Guarantor, on a consolidated basis, if applicable:

a) Maximum Debt-to-Tangible Net Worth of 2.50:1.

"Debt-to-Tangible Net Worth" is defined as Debt divided by Tangible Net Worth.

"Debt" means total liabilities net of any cash, less deferred taxes, and any postponed shareholders' loans.

"Tangible Net Worth" means the aggregate of paid in capital, retained earnings, after tax portion of management bonus or dividends payable and debt formally postponed to BDC Capital less any assets deemed intangible by BDC Capital which shall include but not be limited to goodwill, investments in associated companies, accounts receivable including related company accounts receivable, and shareholder accounts receivable.

b) Debt Service Coverage of 1.15:1.

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"Debt Service Coverage" means (A) EBITDA less (i) unfunded capital expenditures, (ii) deferred charges, (iii) dividends, (iv) distributions, (v) advances to related companies and affiliates, (vi) investments in related companies and affiliates, and (vii) cash taxes, Divided by

(B) the total of all payments of principal and interest on debt, capital leases and obligations under credit facilities.

"EBITDA" means earnings before interest, taxes, depreciation and amortization plus noncash expenses approved by the senior lender, less (to the extent included in determining net income) non-cash non-recurring items on a trailing twelve month basis.

c) Minimum Current Assets-to-Current Liabilities of 1.25:1.

"Current Assets-to-Current Liabilities" is defined as current assets divided by current liabilities.

The above mentioned ratios shall be calculated on the basis of the consolidated financial statements of the Borrower and the Corporate Guarantor and shall be tested quarterly.

Transfers of any property or assets from the Borrower or any Corporate Guarantor to any related party which is not the Borrower or a Corporate Guarantor are not permitted without the prior written consent of BDC Capital unless the transfers are on the same commercial terms as between arm's length unrelated third parties. For greater certainty, a) this restriction on the transfer of property and assets includes services provided by the Borrower or any Corporate Guarantor to any related party which is not the Borrower or a Corporate Guarantor, and b) the following companies are considered related parties of the Borrower and Corporate Guarantor and are subject to the restrictions of this paragraph:

- Shaw Almex Overseas Ltd.;
- Shaw Almex India PVT Ltd.;
- Eternity Cabinets PVT Ltd.;
- Shaw Almex Global Holdings Limited;
- Shaw Almex Pacific Real Estate Holdings Pty Ltd.;
- Shaw Almex Spain Real Estate Holdings, S.L.;
- Shaw Almex Africa Real Estate Holdings Pty Ltd.;
- Shaw Almex Deutschland GmbH;
- Almex Holdings Inc.;
- Rampart Detection Systems Ltd.

Annually, the Borrower and Guarantor shall be required to provide to BDC Capital a certificate from their external auditor to confirm full compliance with this provision.

EMSYS GmbH is to be legally unincorporated and dissolved prior to December 31, 2020. If it is not, EMSYS GmbH will be added as a Corporate Guarantor.



In the event that the Borrower and/or Corporate Guarantor form or acquire any new companies, these new companies are to become a Corporate Guarantor to BDC Capital, at BDC Capital's sole discretion.

DISBURSEMENT:

Unless otherwise authorized and except for refinancing of BDC Capital loans, funds will be disbursed to BDC Capital's legal counsel who will confirm to BDC Capital the execution, delivery and registration of the security. The latter may, if they have provided their final invoicing concurrently with the above confirmation, pay it from the disbursed funds. Any subsequent fees or disbursement shall be collected directly from the Borrower.

BDC Capital may cancel any portion of the Financing which has not been disbursed after six months from December 10, 2018 (the "Authorization Date").

FEES:

Cancellation Fee

If no part of the Financing has been disbursed by July 15, 2021 (the "Lapsing Date"), the Borrower and the Corporate Guarantor shall pay BDC Capital a cancellation fee of \$141,000.00, provided, however, that BDC Capital shall have the right to extend the Lapsing Date in its sole and entire discretion without notice to or consent from the Borrower and the Corporate Guarantor. For greater certainty and in any event, BDC Capital will not charge a cancellation fee on any portion of the Financing cancelled by BDC Capital prior to the Lapsing Date.

In case of partial disbursement not already provided for in the Letter of Offer, any part of the Financing that has not been disbursed by the Lapsing Date will automatically be cancelled. If more than 50% of the Financing is so automatically cancelled, the Borrower and the Corporate Guarantor shall pay a cancellation fee of 3% of the portion of the Financing automatically so cancelled.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC Capital's damages should the Financing be cancelled or allowed to lapse in whole or in part.

Standby Fee

Commencing December 10, 2019, the Borrower and the Corporate Guarantor shall pay BDC Capital a non-refundable standby fee calculated at a rate of 3% per annum on the portion of the Financing which has not been advanced or cancelled. This fee shall be calculated daily and be payable in arrears commencing on the next occurring Payment Date and on each Payment Date thereafter.

Financing Management Fee

The Borrower and the Corporate Guarantor shall pay BDC Capital a non-refundable management fee of \$100.00 per month. This management fee is payable on the date of the first Payment Date following the initial advance of the Financing and thereafter on each monthly anniversary of such first advance, until the Maturity Date.

Legal Fees and Expenses

The Borrower and the Corporate Guarantor shall pay all legal fees and expenses of BDC Capital incurred in connection with the Financing and the Financing Documents including

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the enforcement of the Financing and the Financing Documents. All legal fees and expenses of BDC Capital in connection with any amendment or waiver related to the foregoing shall also be for the account of the Borrower and the Corporate Guarantor.

The Borrower's and the Corporate Guarantor's obligation to indemnify BDC Capital under this Section continues before and after default and notwithstanding repayment of the Financing or discharge of any part or all of the Security.

REPRESENTATIONS AND WARRANTIES:

The Borrower and each of the Corporate Guarantor makes the representations and warranties in Schedule A – Section III. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Financing Parties pursuant to the Financing Documents.

COVENANTS:

So long as any amount owing pursuant to the Financing Documents remains unpaid, each of the Borrower and the Corporate Guarantor shall perform the covenants set forth in Schedule "A" – Sections IV and V.

Without limiting the above, the Borrower and the Corporate Guarantor will notify the BDC Capital of its intent to use IFRS and acknowledges, by undertaking to sign the resulting amended forms or contracts, that there may be modifications required to the calculation of EBITDA, Excess Available Funds, required ratios and to other pertinent calculations to ensure the spirit of the underlying conditions is maintained.

100 DAY POST CLOSE:

The Borrower agrees to have BDC Capital and BDC Advisory Services meet with management and conduct a post-close update. The intent is to validate if the growth is on plan, identify any challenges and see if BDC Capital can provide any additional support.

EVENTS OF DEFAULT:

The occurrence of any of the events listed in Schedule A – SECTION VI constitutes an event of default under the Letter of Offer. If a default occurs, any obligation of BDC Capital to make any advance, shall, at BDC Capital's option, terminate and BDC Capital may, at its option, demand immediate payment of the Financing and enforce any security, the whole without any prejudice to the covenants of the Financing Parties to pay the Prepayment Bonus, as applicable, if a portion of the Financing has been disbursed before the occurrence of the default justifying the application of this paragraph.

CONFLICTS:

The Financing Documents constitute the entire agreement between BDC Capital and the Financing Parties. To the extent that any provision of the Financing Documents is inconsistent with or in conflict with the provisions of the Letter of Offer, the provisions of the Letter of Offer shall govern.

INDEMNITY:

The Borrower and the Corporate Guarantor shall indemnify and hold BDC Capital harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC Capital by reason of or relating directly or indirectly to the Financing Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC Capital.

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SCHEDULES:

All Schedules have been inserted after the signature page and form an integral part of the

Letter of Offer.

DEFINITIONS:

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A"-

Section I or Section II or are defined elsewhere in the text of the Letter of Offer.

GOVERNING LAW:

The Letter of Offer shall be governed by and construed in accordance with the laws of the province of Ontario and the laws of Canada applicable therein. Any claim or suit for any reason whatsoever under the Letter of Offer shall be brought in the judicial district of Stoney Creek, province of Ontario, Canada, at the exclusion of any other judicial district

which may have jurisdiction over such dispute as prescribed by law.

SUCCESSORS AND

ASSIGNS:

The Letter of Offer shall be binding on and enure to the benefit of each Financing Party and BDC Capital and their respective successors and assigns. No Financing Party shall have the right to assign, in whole or in part, its rights and obligations under or pursuant to the

Financing Documents without BDC Capital's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to BDC Capital and in any number of counterparts, each of which is deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with Marvin

This 14th day of July 2021.

Junop at (519) 675-3106.

BDC CAPITAL INC.

Marvin Junop By:

Marvin Junop, Director

Scott Lewis

By:

Scott Lewis, Managing Director

CONSENT AND ACCEPTANCE

Each Financing Party hereby confirms the foregoing terms and conditions set forth above and in all attached Schedules as the restatement of the Letter of Offer.

Signed this 4 day of 304 2021.
Shaw-Almex Industries Limited
By: I/We have authority to bind the Corporation
Almex Peru S.A.C.
By: I/We have authority to bind the Corporation
Almex Fusion de Mexico, S. de R.L. de C.V.
By: I/We have authority to bind the Corporation
Shaw Almex Pacific Pty. Ltd.
By: I/We have authority to bind the Corporation
PT Shaw Almex Indonesia
By: I/We have authority to bind the Corporation
Shaw Almex Fusion, LLC
By: I/We have authority to bind the Corporation
Shaw Almex Europe B.V.
By: I/We have authority to bind the Corporation

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Shaw	-Almex Mine Equip (Tianjin) Co., Ltd.
Ву:	The state of the s
	I/We have authority to bind the Corporation
Shaw	Almex Chile SpA
By:	- h X
	I/We have authority to bind the Corporation
Fonm	ar Group, S.L.
Ву:	I/We have authority to bind the Corporation

SCHEDULE A

SECTION I DEFINITIONS

"Annual Gross Sales" means comprehensively (during a given financial year) the total amount of the actual selling price of the totality of the goods sold and the services rendered by a business carried on by all the companies whose annual gross sales are used for the purposes of this calculation (the "seller") regardless of the place where the goods and services are sold, notably the following amounts:

- the amounts received by the seller in consideration of the sale of goods, articles and merchandise;
- (ii) the amounts received by the seller in consideration of services rendered;
- (iii) the amounts received by the seller in consideration of the sale or leasing of any property (including intellectual property) of the seller or other persons or the granting of a licence in respect of any such property;
- (iv) all the amounts received and receivable, whatever they may be; and
- (v) all the proceeds, if applicable, from insurance against operating losses and the insurance proceeds received in respect of any business of the seller

in each case, regardless of whether these sales or these amounts received are certified by a cheque, cash, a credit, a charge account, instruments or otherwise, without any deduction permitted for bank charges, bad debt accounts, remuneration of a collection agency or bad debts, but does not include:

- (i) the amount of retail sales taxes or goods and services taxes imposed by any governmental authority directly on sales and collected from customers at the point of sale by the seller acting as a representative of such authority, provided that the amount of these taxes is added to the selling price, that it is not part of the indicated price of the article or the service and that it is actually paid by the seller to such authority;
- the refunds granted in consideration of merchandise sold to the seller, to the extent that the selling price of such merchandise has previously been included in the annual gross sales; and
- (iii) any refund on merchandise obtained from suppliers and manufacturers.

"ASPE" means the accounting standards for private enterprises, Part II CPA Canada Handbook.

"Available Funds" means for any period of 12 months (or end of fiscal year), the sum of the net profits plus: future income taxes; depreciation and /or impairment and/or impairment of assets; gains or losses from the disposal of assets; gains or losses on debt write-offs or to related persons; expenses related to stock-based compensation; any expenses related to the assessment of capital stock such as, without limiting the foregoing the adjustment of the redemption value of

preferred shares; any return on preferred shares to be submitted to the income statement; any other entry outside the ordinary course of business with no impact on cash flow, including without limiting the generality of the foregoing, any impact of the transition to new accounting standards.

"Available Funds Coverage Ratio" – is calculated by dividing the Available Funds by the current portion of the long-term debt.

"BDC Capital's Base Rate" - means the annual rate of interest announced by the Bank through its offices from time to time as its base rate applicable to each of BDC Capital's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC Capital's Floating Base Rate" - means the annual rate of interest announced by the Bank through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Financing shall vary automatically without notice to the Financing Parties upon each change in BDC Capital's Floating Base Rate.

"Change of Control" — means any operation or series of successive and subsequent transactions pursuant to which the Control of a Person is transferred from one Person to another or required by a Person, or any binding undertaking to proceed with any such operations.

"Control" – means the power to, directly or indirectly, direct or cause the direction of the management and business or affairs of a Person, whether through ownership of voting securities, by contract or otherwise, including, but without limiting the foregoing, in the case of a corporation the holding, directly or indirectly of more than fifty per cent (50%) of the voting shares of such corporation.

"Corresponding Fixed Interest Rate Plan" means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC Capital to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the earlier of (i) the next scheduled Interest Adjustment Date, or (ii) the Maturity Date.

"Financing" — shall have the meaning indicated in the preamble, or, as the context may require, at any time the unpaid principal balance of the Financing.

"Financing Documents" — means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.



"Financing Party" — means either the Borrower or any of the Guarantors and "Financing Parties" means collectively each of the Borrower or Guarantors.

"IFRS" - means the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the Accounting Standards Board as Canadian GAAP for publicly accountable enterprises and the ones which opt to adopt such standards.

"Interest Adjustment Date" - means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Expiration Date"- means the date on which a fixed interest rate plan expires.

"Material Adverse Change" — means (i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of any Financing Party, (ii) a material impairment of the ability of any Financing Party to perform any of its obligations under any Financing Document, or (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC Capital or upon the legality, validity, binding effect, rank or enforceability of any Financing Document.

"Person" — includes any individual, natural person, sole proprietorship, partnership, limited partnership, unincorporated association, syndicate or organization, any trust, body corporate, government agency, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative and any other form of organization or entity whatsoever.

"Tangible Equity" — means the sum of the amount of the Financing; plus (i) the share capital (except for preferred shares that are included in long-term debt, except if they are subordinated); plus (ii) retained earnings; plus (iii) subordinated loans or advances from the shareholders in favor of BDC Capital; minus (iv) loans or advances to the shareholders, directors, related or non-related businesses other than in the normal course of business; and minus (v) non-business assets.

"Term Debt" – means the sum of (i) the long-term debt plus (ii) the capital leases including the current portion to be paid over the next 12 months; plus (iii) the book value of preferred shares subject to a formal redemption agreement at the option of the holder or that would set out precise amounts and dates, if any.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Working Capital" — means the total current assets minus (i) the total current liabilities (within the meaning ascribed to them by ASPE [IFRS], applied consistently) less (ii) future income tax receivables and less (iii) the account receivables due from related parties or outside the ordinary course of business and plus the current portion of the long-term debt due over the next twelve (12) months.

"Working Capital Ratio" — is calculated by dividing total current assets ((within the meaning ascribed to them by ASPE, applied consistently) less future income tax receivable, less account receivable due from related parties or outside the ordinary course of business by the total current liabilities excluding the current portion of the long-term debt due over the next twelve (12) months.

SECTION II PREPAYMENT DEFINITIONS

"Prepayment Indemnity" — means the sum of the Present Values calculated for each Payment Date from the date of prepayment until the Maturity Date of the Financing.

"Interest Differential Charge" – means the sum of the Present Values calculated for each Payment Date from the date of prepayment until the Maturity Date of the difference between BDC Capital's Base Rate on this Financing and BDC Capital's Base Rate for the Corresponding Fixed Interest Rate Plan, which is applicable only if BDC Capital's Base Rate on this Financing is greater than BDC Capital's Base Rate at the time of a prepayment.

"Prepayment Bonus" — means the sum of the Interest Differential Charge and the Prepayment Indemnity.

"Present Values" — for the purpose of determining the Interest Differential Charge and the Prepayment Indemnity will be computed at a discount rate ("DR") equal to (i) BDC Capital's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate in the case of a Financing subject to a fixed interest rate, or (ii) BDC Capital Floating Base Rate as the discount rate in the case of a Financing subject to a floating interest rate and the manner of such computation will be according to the following formula:

CF .

{1 + (DR /12)}t

Where:

- "CF" is the sum of: (i) the Variance (if positive) multiplied by the principal prepayment amount, (ii) the difference between BDC Capital's Base Rate on this Financing and BDC Capital's Base Rate for the Corresponding Fixed Interest Rate Plan (if positive and if the Financing is subject to Fixed Interest Rate Plan) multiplied by the principal prepayment amount, (iii) the financing management fees and (iv) any Additional Interest and Bonus payment which would otherwise have been outstanding at the Payment Date until the Maturity Date;
- ▶ "DR" is the applicable discount rate; and



"t" is the number of monthly periods between the prepayment date and the Maturity Date.

SECTION III REPRESENTATIONS AND WARRANTIES

Each of the Borrower and the Corporate Guarantor hereby represents and warrants to BDC Capital that:

- It is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
- The execution, delivery and performance of its obligations under the Letter of Offer and the other Financing Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
- It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
- No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
- It is not in default under the Letter of Offer or any other Financing Document.
- 6. All information provided by it to BDC Capital is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC Capital fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with ASPE.
- 7. There is no pending or threatened claim, action, prosecution or proceeding of any kind including but not limited to non-compliance with environmental law or arising from the presence or release of any contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.
- In respect of properties and assets charged pursuant to the Financing Documents, it has good and marketable title, free and clear of any encumbrances, except for what has been disclosed herein or has been accepted in writing by BDC Capital.
- It is the rightful owner of all its intellectual property with all right, title and interest in and to all of its intellectual property.

The foregoing representations and warranties shall remain in full force and true until the Financing is repaid in full.

SECTION IV COVENANTS

Each of the Borrower and the Corporate Guarantor shall:

- Perform its obligations and covenants under the Financing Documents.
- Maintain in full force and effect and enforceable the Security contemplated by the Letter of Offer.
- Notify BDC Capital immediately of the occurrence of any default under the Letter of Offer or any other Financing Documents.
- 4. Comply with all applicable laws and regulations.
- Keep all its assets insured for physical damages and losses on an "All-Risks" basis for their full replacement value and cause all such insurance policies to name BDC Capital as loss payee as its interests may appear. The policies shall also name BDC Capital as mortgagee and include a standard mortgage clause in respect of buildings over which BDC Capital holds security and, as further security, assign or hypothecate all insurance proceeds to BDC Capital; and

If requested by BDC Capital, maintain adequate general liability insurance and environmental insurance or any other type of insurance it may reasonably require to protect it against any losses or claims arising from pollution or contamination incidents and to provide certified copies of such policies.

- Notify BDC Capital immediately of any loss or damage to its property.
- Without limiting the generality of paragraph 4 above, in relation to its business operations and the assets and projects of its business, operate in conformity with all environmental laws and regulations; make certain that its assets are and will remain free of environmental damage; inform BDC Capital immediately upon becoming aware of any environmental issue and promptly provide BDC Capital with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC Capital to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC Capital is obligated to incur by



reason of any statute, order or directive by a competent authority.

- Promptly pay all government remittances, assessments and taxes including real estate taxes and provide BDC Capital with proof of payments as BDC Capital may request from time to time.
- Promptly furnish to BDC Capital such information, reports, certificates and other documents concerning any Financing Party as BDC Capital may reasonably request from time to time.
- 10. Not engage in, or permit its premises to be used by a tenant or other person, for any activity which BDC Capital, from time to time, deems ineligible, including without limitation any of the following ineligible activities:
 - a) businesses that are sexually exploitive or that are inconsistent with generally accepted community standard of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
 - b) businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations;
 - c) businesses that promote nudism and naturism.

BDC Capital's finding that there is an ineligible activity will be final and binding between the parties and shall not be subject to review. The prohibition set out in this paragraph 10 shall also apply to any entity that Controls, is Controlled by, or that is under the common control with, any Financing Party.

11. In the event that one or several related corporations are incorporated or acquired, including all new subsidiaries and sister companies of the Borrower, these new entities shall ratify and become a party to the Letter of Offer as co-borrower or guarantor at the sole discretion of BDC Capital. BDC Capital may require that these new entities grant in favour of BDC Capital security which shall be registered on their assets to guarantee their respective obligations and the obligations and the Financing pursuant to the Letter of Offer.

SECTION V NEGATIVE COVENANTS

Without the prior written consent of BDC Capital, neither the Borrower nor any of the Corporate Guarantor shall:

- 1. Change the nature of its business.
- Amalgamate, merge, acquire or otherwise combine its business, or create an affiliated company ("affiliate" having the meaning given to it in the Canada Business Corporations Act), or sell or otherwise transfer a substantial part of its business or any substantial part of its assets, or grant any operating license.
- Permit any of its shareholders to sell or transfer their shares in the capital stock of such Financing Party save and except shares listed on a recognized stock exchange acceptable to BDC Capital.
- Permit any Change of Control of such Financing Party or change the capital structure of such Financing Party by contractual or other means.
- Permit any change in the shareholding of such Financing Party, except for options issued to employees under an approved stock option plan.
- Allow a loan to be sought or extended, an investment to be made, a guarantee to be given, and no asset securing the Financing shall be pledge or hypothecated to another creditor, whether done for the benefit of the Borrower or for the benefit of a third party.
- Declare a dividend on, or redeem or repay any obligation in respect of any shares in its capital. In addition, any advance or transfer of funds in any form whatsoever shall be made to the ultimate shareholders and/or to the corporations they own.
- Make any modifications to the end date of its fiscal year, its accounting standards and/or policies.

SECTION VI EVENTS OF DEFAULT

- Any Financing Party fails to pay any amount owing under or pursuant to the Financing Documents.
- Any Financing Party fails to comply with or to perform any provision of the Letter of Offer or any other Financing Documents.
- Any Financing Party is in default under any other agreement with BDC Capital or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement.



- Any representation or warranty made by any Financing Party herein or in any other Financing Document is breached, false or misleading in any material respect, or becomes at any time false.
- Any schedule, certificate, financial statement, report, notice or other writing furnished by any Financing Party to BDC Capital in connection with the Financing is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
- Any Financing Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Financing Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Financing Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Financing Party or for a substantial part of the property of such Financing Party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Financing Party; or any Financing Party takes any action to authorize, or in furtherance of, any of the foregoing.
- The Borrower and/or any of the Corporate Guarantor ceases or threatens to cease to carry on all or a substantial part of its business.
- The occurrence of a Change of Control of the Borrower and/or any of the Corporate Guarantor from the date of the application of financing.
- Any Financing Party is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
- The occurrence, in the opinion of BDC Capital, of a Material Adverse Change.

SECTION VII GENERAL TERMS AND CONDITIONS

Each Financing Party agrees to the following additional provisions:

Interest Cap

If the aggregate amount of charges payable as interest, additional interest, interest on arrears, or any other charges paid or payable in connection with the Financing (collectively the "Charges") at any time whatsoever would constitute the

application of an effective annual rate of interest in excess of the limit permitted by any applicable law, then the Charges shall be reduced so that the charges paid or payable shall not exceed the maximum permissible under such law. Any excess which has been paid will be refunded by BDC Capital within ten business days following BDC Capital's determination of the amount to be refunded.

Other Available Interest Rate Plans

applicable. the Borrower having selected floating interest rate plan may select BDC Capital available fixed interest rate plan. The expiry date of the selected plan shall occur after the initial Maturity Date or subsequently amended Maturity Date of the Financing. If the Borrower so selects any fixed rate plan before the Acceptance Date, it shall be based on BDC Capital's Base Rate in effect on the Authorization Date. If the selection is made after the Acceptance Date, the Borrower will have to pay to BDC Capital applicable fee and the interest rate shall be based on BDC Capital's Base Rate then in effect. The new rate shall become effective on the fourth day following receipt of the request by BDC Capital.

However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, BDC Capital reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Interest Adjustment Date

If the Financing is not paid in full by the Interest Adjustment Date, BDC Capital will set a new interest rate plan based on the revised Interest Adjustment Date of the Financing at BDC Capital's Base Rate then in effect adjusted by the Variance and shall then notify the Borrower.

In the event BDC Capital should demand repayment of the Financing by reason of an event of default, any fixed interest rate applicable at the time of demand shall continue to apply to the Financing until full repayment and shall not be adjusted at the next interest Adjustment Date.

Pre-Authorized Payment System

All payments provided for in the Letter of Offer must be made by pre-authorized debits from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments will be applied in the following order:

- any Prepayment Bonus (including the monthly interest and Interest Differential Charge);
- 2. protective disbursements;
- 3. standby fees (arrears and current);



- arrears, in the following order: transaction fees, administration fees, management fees, Royalties, bonuses or other premiums, interest and principal;
- current balances, in the following order: transaction fees, management fees, Royalties, bonuses or other premiums, interest and principal;
- 6. cancellation fees; and
- other amounts due and payable under the Financing Documents.

Other than regular payments of principal and interest, BDC Capital may apply any other monies received by it, before or after default, to any debt the Borrower may owe BDC Capital under or pursuant to the Letter of Offer or any other agreement and BDC Capital may change those applications from time to time in its sole discretion.

Consent to Disclosure and Exchange of Information

Each Financing Party authorizes BDC Capital, at any time and from time to time, (i) to obtain financial, compliance, account status and any other information about a Financing Party and its respective business from its accountants, its auditors, any financial institution, creditor, credit reporting or rating agency, credit bureau, governmental department, body or utility, and (ii) to disclose and exchange information with any

financial institution relating to, in connection with or arising from the business of any Financing Party which BDC Capital may currently have or subsequently obtain.

Each Financing Party recognizes that in accordance with prudent business practices to « know your client » and in accordance with its internal policies, BDC Capital may be required to obtain, verify, maintain information regarding the Financing Parties, their directors, theirs officers duly authorized to sign, their shareholders or other persons who exercise control over each Financing Party. Each Financing Party agrees to provide without delay all information, including supporting documents and other evidence that BDC Capital, or a potential assignee or another company with an interest in BDC Capital, acting reasonably, could ask to comply with internal policies or legislation in the fight against the laundering of proceeds of crime or financing of terrorist activities that apply to them.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to a Financing Party, at its address above or such other addresses as the Financing Party may advise BDC Capital in writing, or if to BDC Capital, at BDC Capital's address above.



SCHEDULE B

Corporate Guarantee





BDCID: 10025135012

July 14, 2021

Mr. Ryan Neufeld Shaw-Almex Industries Limited 323 Glover Rd Stoney Creek, ON L8E 5M2

Re: BDC Capital Financing 150288-01

Dear Mr. Neufeld:

We write in reference to our Restated Letter of Offer dated July 14, 2021 related to Financing No. 150288-01, and any subsequent amendments thereto, BDC Capital Inc. (« BDC Capital »), a wholly owned subsidiary of Business Development Bank of Canada (« the Bank »), subject to the terms set out below, the following amendments will be made to your Financing.

The amendments shall take effect upon receipt by BDC Capital of the Acceptance Form duly signed by all signatories no later than September 18, 2021.

Amendments - Financing Number 150288-01:

SECURITY

The following existing Security relating to the Financing:

Almex Peru S.A.C., Almex Fusion de Mexico, S de R.L. de C.V., Shaw Almex Pacific Pty Ltd., Shaw Almex Africa (Pty) Ltd., PT. Shaw Almex Indonesia, Shaw Almex Fusion, LLC, Shaw Almex Europe B.V., Shaw-Almex Mine Equip. (Tianjin) Co., Ltd., Shaw Almex Chile S.A., Fonmar Group, S.A., jointly and severally (collectively the "Corporate Guarantor");

(the Corporate Guarantor are also sometimes referred to herein as the "Guarantor(s)");

is modified and is now replaced with:

Almex Peru S.A.C., Almex Fusion de Mexico, S de R.L. de C.V., Shaw Almex Pacific Pty Ltd., PT. Shaw Almex Indonesia, Shaw Almex Fusion, LLC, Shaw Almex Europe B.V., Shaw-Almex Mine Equip. (Tianjin) Co., Ltd., Shaw Almex Chile S.A., Fonmar Group, S.A., jointly and severally (collectively the "Corporate Guarantor");

(the Corporate Guarantor are also sometimes referred to herein as the "Guarantor(s)");

UNDERLYING CONDITIONS

The following existing underlying condition relating to the Financing:

Each of Almex Peru S.A.C., Almex Fusion de Mexico, S de R.L. de C.V., Shaw Almex Africa
(Pty) Ltd., PT. Shaw Almex Indonesia, Comercial Faven, S.A., Shaw Almex Chile S.A., Shaw
Almex Mine Equip. (Tianjin) Co., Ltd., Shaw Almex Europe B.V. and Fonmar Group, S.A. shall





remit to BDC Capital its annual Notice to Reader (prepared by a CPA) financial statements, on a separate basis, within 120 days of fiscal year-end.

is modified and is now replaced with:

Each of Almex Peru S.A.C., Almex Fusion de Mexico, S de R.L. de C.V., PT. Shaw Almex Indonesia, Comercial Faven, S.A., Shaw Almex Chile S.A., Shaw Almex Mine Equip. (Tianjin) Co., Ltd., Shaw Almex Europe B.V. and Fonmar Group, S.A. shall remit to BDC Capital its annual Notice to Reader (prepared by a CPA) financial statements, on a separate basis, within 120 days of fiscal year-end.

REPAYMENT CONDITIONS

The following existing repayment condition relating to the Financing:

\$2,000,000 PREPAYMENT OPTION:

The Borrower may repay up to \$2,000,000 of the then outstanding capital of the Financing without having to pay the fees and charges referred to in the "Prepayment" section of this Letter of Offer (the "Indemnities"), provided that all of the following conditions are met:

a) The Borrower is not in default; and

b) This prepayment is received by BDC Capital within twelve (12) months from the date of the first disbursement of this Loan; and

c) The source of funds used for this repayment is refinancing of real estate term debt at the following locations:

i. 17 Shaw Almex Drive, Parry Sound, Ontario P2A 2W4; and

ii. 323 Glover Road, Stoney Creek, Ontario L8E 5M2.

If such a payment causes the Borrower to fail to comply with debt covenants and financial requirements required by the Borrower's operating or term lender, it shall be paid only up to an amount that does not put the Borrower in default with debt covenants and financial requirements required by the Borrower's operating or term lender.

is modified and is now replaced with:

\$2,000,000 PREPAYMENT OPTION:

The Borrower may repay up to \$2,000,000 of the then outstanding capital of the Financing without having to pay the fees and charges referred to in the "Prepayment" section of this Letter of Offer (the "Indemnities"), provided that all of the following conditions are met:

a) The Borrower is not in default; and

b) This prepayment is received by BDC Capital within twelve (12) months from the date of the first disbursement of this Loan.

If such a payment causes the Borrower to fail to comply with debt covenants and financial requirements required by the Borrower's operating or term lender, it shall be paid only up to an amount that does not put the Borrower in default with debt covenants and financial requirements required by the Borrower's operating or term lender.

FEES

Cancellation Fee: The Lapsing Date on the Financing is extended to August 31, 2021. The Cancellation Fee payable in respect of the Financing will now be calculated based on that date.





All other terms and conditions of your financing with BDC Capital remain unchanged.

Yours truly,

Marvin Junop

Marvin Junop
Director, Growth and Transition Capital
T (519) 675-3106
E Marvin.Junop@bdc.ca

Kerri Wilde

Kerri Wilde Senior Analyst, Growth and Transition Capital T (519) 675-3104 E Kerri Wilde@bdc.ca

Encl.

Business Development Bank of Canada 25 Main Street West Suite 1900 Hamilton, ON L8P1H1

L8P1H1 Attention: Marvin Junop	
Re: BDC Capital Financing 150288-01	
The undersigned accept the terms and conditions set for dated July 14, 2021.	orth in BDC Capital's Letter of Amendment
Signed this 14 day of Joly , 2021.	
BORROWER Shaw-Almex Industries Limited	
	, Authorized Signing Officer
Name: [Please print name of signing party]	
GUARANTORS Almex Peru S.A.C.	_, Authorized Signing Officer
Name: [Please print name of signing party]	
Almex Fusion de Mexico, S de R.L. de C.	_, Authorized Signing Officer
Name: Two Shaw [Please print name of signing party]	

Shaw Almex Pacific Pty. Ltd.	
Name: Twoth Show [Please print name of signing party]	, Authorized Signing Officer
Name: [Please print name of signing party]	, Authorized Signing Officer
Shaw Almex Fusion, LLC Name: [Please print name of signing party]	, Authorized Signing Officer
Name: [Please print name of signing party]	, Authorized Signing Officer

Name: [Please print name of signing party]	_, Authorized Signing Officer
Name: [Please print name of signing party]	, Authorized Signing Officer
Name: [Please print name of signing party]	, Authorized Signing Officer
Name: [Please print name of signing party]	, Authorized Signing Officer

Name: [Please print name of signing party], Authorized Signing Officer

THIS IS **EXHIBIT "V"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann



BDC Capital Inc., a wholly-owned subsidiary of Business Development Bank of Canada Banque de développement du Canada

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated the 15 day of September, 2021.

BETWEEN:

SHAW-ALMEX INDUSTRIES LIMITED., a corporation amalgamated under the laws of the Province of Ontario, with its head office at 323 Glover Road, Stoney Creek, Ontario L8E 5M2

(the "Debtor")

AND:

BDC CAPITAL INC., a wholly-owned subsidiary of Business Development Bank of Canada, with a business centre at 148 Fullarton Street, Suite 1000, London, Ontario N6A 5P3

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

- 1.1 For consideration the Debtor hereby:
 - (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
- (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
- (vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
- (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
 - (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.
- 1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".
- 1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

- 2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.
- 2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the

dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

- 7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:
 - (a) promptly pay and satisfy the Obligations as they become due or are demanded;
 - (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
 - (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and

effective;

- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under <u>Bankruptcy</u> <u>and Insolvency Act</u> (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to <u>Bankruptcy and Insolvency Act</u> (Canada);
 - (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from the Debtor's assets. Further, the Debtor will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. The Debtor's obligation under this

paragraph continues even after the Obligations are repaid and this agreement is terminated.

- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor;
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (I) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (n) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, General Security Agreement Page 6
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- statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
- (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.
- 7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.
- 7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

- 8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:
 - (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
 - (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
 - (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.
- 8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.
- 8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of

loss on its own behalf.

- 8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- 8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

- 10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:
 - (a) sell, lease, license or otherwise dispose of the Collateral;
 - (b) release, surrender or abandon possession of the Collateral; or
 - (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.
- 10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.
- 10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

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If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

- 14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:
 - (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
 - (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
 - (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under <u>Bankruptcy and Insolvency Act</u> (Canada), the <u>Companies' Creditors Arrangement Act</u> (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
 - (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
 - (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
 - (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or

- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (I) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession:
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.
- 15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:
 - (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
 - (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under *Bankruptcy and Insolvency Act* (Canada); and
 - (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral: and
 - (d) make any arrangement or compromise that the Receiver deems expedient.
- 15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:
 - (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
 - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
 - (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;

- (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

- 16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.
- 16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.
- 16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.
- 16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.
- 16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.
- 16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations

and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor, to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;

- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

- 29.1 In this Security Agreement:
 - (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
 - (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.
- 29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.
- 29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.
- 29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.
- 29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

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31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

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IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

SHAW-/	LMEX INDUSTRIES LIMITE)
By: Name: Title:	Tim Shaw President	_
By: Name: Title:		

I/we have authority to bind the Corporation.

SCHEDULE "A"

Subo	lause	1 4	1/2)	
Subc	iause	Ι.	ı(a)	ı.

1.	the following specific items, even though they may be included within the (insert description by item or kind):	e descriptio	ns of Collateral
2.	the following serial numbered goods:		
	Serial No. (re motor vehicles & trailers, etc.)	Year	Make and Model
3.	Location(s) of the Collateral:		
	323 Glover Road, Stoney Creek, Ontario L8E 5M2		

THIS IS **EXHIBIT "W"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") dated September 10, 2021,

is made by

DEBTOR: SHAW ALMEX FUSION, LLC, a limited liability company, organized

under the laws of the State of Georgia, with a mailing address at 323

Glover Rd., Stoney Creek, Ontario, L8E 5M2, the "Debtor";

in favor of

SECURED PARTY: BDC CAPITAL INC., with a business center at 148 Fullarton St Suite

1000, London, Ontario, N6A 5P3, the "Secured Party";

DEBT: Obligations of the Debtor in respect of the Financing Documents (as

defined below) for Financing No. 150288-01

PRELIMINARY STATEMENTS

The Secured Party extended a loan or established one or more credit facilities in favor of Shaw-Almex Industries Limited (the "Borrower") on terms and subject to certain conditions set out in an amended and restated letter of offer dated July 14, 2021, as amended by that certain amendment to amended and restated letter of offer dated July 14, 2021 (as amended and as may be further amended from time to time, the "Loan Agreement"), and the Borrower may from time to time hereafter obtain credit and other financial accommodations from the Secured Party and incur liabilities to the Secured Party under the Loan Agreement and the Financing Documents (as such term is defined in the Loan Agreement); and

As a condition to extending credit to the Borrower under the Loan Agreement, the Secured Party has required, among other things, that the Debtor execute and deliver a Guaranty Agreement, dated as of the date hereof (the "Guaranty") and this Agreement; and

The Borrower is an affiliate of the Debtor, and the Borrower provides the Debtor with financial, management, administrative, and technical support which enables the Debtor to conduct its businesses in an orderly and efficient manner in the ordinary course; and

The Debtor will benefit, directly or indirectly, from credit and other financial accommodations extended by the Secured Party to the Borrower.

NOW, THEREFORE, in consideration of the benefits accruing to the Debtor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Grant of Security Interest. The Debtor hereby grants to the Secured Party a lien on and security interest in, and acknowledges and agrees that the Secured Party has and shall continue to have a continuing lien on and security interest in, all right, title and interest of the Debtor, whether now owned or existing or hereafter created, acquired, or arising, in and to all of the following:

- (a) Accounts;
- (b) Chattel Paper;
- (c) Instruments (including Promissory Notes);
- (d) Documents;
- (e) General Intangibles (including Payment Intangibles and Software, patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registrations, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);
 - (f) Letter-of-Credit Rights;
 - (g) Supporting Obligations;
 - (h) Deposit Accounts;
- (i) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts);
 - (j) Inventory;
- (k) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);
 - (1) Fixtures;
- (m) Commercial Tort Claims (as described on Schedule F hereto or on one or more supplements to this Agreement);
- (n) Rights to merchandise and other Goods (including rights to returned or repossessed Goods and rights of stoppage in transit) which is represented by, arises from, or relates to any of the foregoing;
- (o) Monies, personal property, and interests in personal property of the Debtor of any kind or description now held by the Secured Party or at any time hereafter transferred or delivered to, or coming into the possession, custody, or control of, the Secured Party, or

any agent or affiliate of the Secured Party, whether expressly as collateral security or for any other purpose (whether for safekeeping, custody, collection or otherwise), and all dividends and distributions on or other rights in connection with any such property;

- (p) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of the Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes, and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;
- (q) Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and
- (r) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the "Collateral". All terms which are used in this Agreement which are defined in the Uniform Commercial Code of the State of New York as in effect from time to time ("UCC") shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide. For purposes of this Agreement, the term "Receivables" means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

- Section 2. Obligations Hereby Secured. The lien and security interest herein granted and provided for is made and given to secure, and shall secure, the payment and performance of (a) any and all indebtedness, obligations, and liabilities of whatsoever kind and nature of the Debtor to the Secured Party under the Guaranty and this Agreement (whether arising before or after the filing of a petition in bankruptcy), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint, or joint and several, including without limitation all obligations under the Guaranty, and (b) any and all reasonable expenses and charges, legal or otherwise, suffered or incurred by the Secured Party in collecting or enforcing any of such indebtedness, obligations, or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby (all of the foregoing being hereinafter referred to as the "Secured Obligations").
- Section 3. Covenants, Agreements, Representations and Warranties. The Debtor hereby covenants and agrees with, and represents and warrants to, the Secured Party that:
- (a) The Debtor is a limited liability company duly organized and validly existing under the laws of the State of Georgia. The Debtor shall not change its jurisdiction of organization without the Secured Party's prior written consent. Subject to the rights of HSBC Bank Canada

a/k/a HSBC Canada, the senior lender for the Borrower and the Debtor, the Debtor is the sole and lawful owner of the Collateral, and has full right, power, and authority to enter into this Agreement and to perform each and all of the matters and things herein provided for. The execution and delivery of this Agreement, and the observance and performance of each of the matters and things herein set forth, will not (i) contravene or constitute a default under any provision of law or any judgment, injunction, order, or decree binding upon the Debtor or any provision of the Debtor's organizational documents (*e.g.*, charter, articles or certificate of incorporation and by-laws, articles or certificate of organization and limited liability company operating agreement, partnership agreement, or similar organizational documents) or any indenture, or agreement of or affecting the Debtor or any of its property, or (ii) result in the creation or imposition of any lien or encumbrance on any property of the Debtor except for the lien and security interest granted to the Secured Party hereunder.

- The Debtor's chief executive office and principal place of business is at, and the Debtor keeps and shall keep all of its books and records relating to Receivables only at, 2933 Miller Rd, Decatur, Georgia 30035, USA; and the Debtor has no other executive offices or places of business other than those listed under Item 1 on Schedule A. The Collateral is and shall remain in the Debtor's possession or control at the locations listed under Item 2 on Schedule A attached hereto (as such locations may be amended or supplemented from time to time with written notice to the Secured Party as provided below, the "Permitted Collateral Locations"), except for Collateral which in the ordinary course of the Debtor's business is in transit between Permitted Collateral Locations, is out for repair, or Collateral which is otherwise de minimus in value. If for any reason any Collateral is at any time kept or located at a location other than a Permitted Collateral Location, the Secured Party shall nevertheless have and retain a lien on and security interest therein. The Debtor owns and shall at all times own all Permitted Collateral Locations, except to the extent otherwise disclosed under Item 2 on Schedule A. The Debtor shall not move its chief executive office or maintain a place of business at a location other than those specified under Item 1 on Schedule A or permit the Collateral to be located at a location other than those specified under Item 2 on Schedule A (except for Collateral which in the ordinary course of the Debtor's business is in transit between Permitted Collateral Locations, is out for repair, or Collateral which is otherwise de minimis in value), in each case without first providing the Secured Party 30 days' prior written notice of the Debtor's intent to do so (at which time Schedule A will be deemed amended or supplemented with such additional or modified locations); provided that the Debtor shall at all times, unless otherwise specifically agreed to in writing by the Secured Party, maintain its chief executive office and Permitted Collateral Locations as set forth on Schedule A and, with respect to any new chief executive office or place of business or location of Collateral, the Debtor shall have taken all action reasonably requested by the Secured Party to maintain the lien and security interest of the Secured Party in the Collateral at all times fully perfected and in full force and effect.
- (c) The Debtor's legal name and jurisdiction of organization is correctly set forth in the first paragraph of this Agreement. The Debtor has not transacted business at any time during the immediately preceding five-year period, and does not currently transact business, under any other legal names or trade names other than the prior legal names and trade names (if any) set forth on Schedule B attached hereto. The Debtor shall not change its legal name or transact business under

any other trade name without first giving 30 days' prior written notice of its intent to do so to the Secured Party.

- (d) The Collateral and every part thereof is and shall be free and clear of all security interests, liens (including, without limitation, mechanics', laborers' and statutory liens), attachments, levies, and encumbrances of every kind, nature and description, whether voluntary or involuntary, except for the lien and security interest of the Secured Party therein and as otherwise permitted by the Loan Agreement or as otherwise agreed to by the Secured Party in writing. The Debtor shall warrant and defend the Collateral against any claims and demands of all persons at any time claiming the same or any interest in the Collateral adverse to the Secured Party (other than permitted liens).
- (e) The Debtor shall promptly pay when due all taxes, assessments, and governmental charges and levies upon or against the Debtor or any of the Collateral, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith by appropriate proceedings which prevent foreclosure or other realization upon any of the Collateral and preclude interference with the operation of the Debtor's business in the ordinary course, and the Debtor shall have established adequate reserves therefor.
- (f) The Debtor shall not use, manufacture, sell, or distribute any Collateral in violation of any statute, ordinance, or other governmental requirement. The Debtor shall not waste or destroy the Collateral or any part thereof or be negligent in the care or use of any Collateral. The Debtor shall perform in all material respects its obligations under any contract or other agreement constituting part of the Collateral, it being understood and agreed that the Secured Party has no responsibility to perform such obligations.
- (g) Subject to Sections 4(b), 6(c), 6(c), and 7(c) hereof and the terms of the Loan Agreement, the Debtor shall not, without the Secured Party's prior written consent, sell, assign, mortgage, lease, or otherwise dispose of the Collateral or any interest therein.
- The Debtor shall at all times insure the Collateral consisting of tangible personal property against such risks and hazards as other persons similarly situated insure against, and including in any event loss or damage by fire, theft, burglary, pilferage, loss in transit and such other hazards as the Secured Party may reasonably specify, and in accordance with Schedule A of the Loan Agreement. All insurance required hereby shall be maintained in amounts and under policies and with insurers reasonably acceptable to the Secured Party, and all such policies shall, as applicable, contain loss payable clauses naming the Secured Party as loss payee as its interest may appear (and, if the Secured Party requests, naming the Secured Party as an additional insured therein) in a form reasonably acceptable to the Secured Party. All premiums on such insurance shall be paid by the Debtor. Certificates of insurance evidencing compliance with the foregoing and, at the Secured Party's request, the policies of such insurance shall be delivered by the Debtor to the Secured Party. All insurance required hereby shall provide that any loss shall be payable to the Secured Party notwithstanding any act or negligence of the Debtor, shall provide that no cancellation thereof shall be effective until at least 30 days after receipt by the Debtor and the Secured Party of written notice thereof, and shall be reasonably satisfactory to the Secured Party in all other respects. In case of any material loss, damage to or destruction of the Collateral or any

part thereof, the Debtor shall promptly give written notice thereof to the Secured Party generally describing the nature and extent of such damage or destruction. In case of any loss, damage to or destruction of the Collateral or any part thereof, the Debtor, whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for that purpose, at the Debtor's cost and expense, shall promptly repair or replace the Collateral so lost, damaged, or destroyed, except to the extent such Collateral, prior to its loss, damage, or destruction, had become uneconomical, obsolete, or worn out and is not necessary for or of importance to the proper conduct of the Debtor's business in the ordinary course or otherwise agreed to in writing by the Secured Party. In the event the Debtor shall receive any proceeds of such insurance, the Debtor shall give notice as required by Schedule A of the Loan Agreement and upon request shall immediately pay over such proceeds to the Secured Party. The Debtor hereby authorizes the Secured Party, at the Secured Party's option, to adjust, compromise, and settle any losses under any insurance afforded at any time during the existence of any Event of Default, and the Debtor does hereby irrevocably constitute the Secured Party, and each of its nominees, officers, agents, attorneys, and any other person whom the Secured Party may designate, as the Debtor's attorneys-in-fact, with full power and authority to effect such adjustment, compromise, and/or settlement and to endorse any drafts drawn by an insurer of the Collateral or any part thereof and to do everything necessary to carry out such purposes and to receive and receipt for any unearned premiums due under policies of such insurance. Unless the Secured Party elects to adjust, compromise, or settle losses as aforesaid, any adjustment, compromise, and/or settlement of any losses under any insurance shall be made by the Debtor subject to final approval of the Secured Party (regardless of whether or not an Event of Default shall have occurred) in the case of losses exceeding \$75,000. Net insurance proceeds received by the Secured Party under the provisions hereof or under any policy of insurance covering the Collateral or any part thereof shall be applied to the reduction of the Secured Obligations (whether or not then due); provided, however, that the Secured Party agrees to release such insurance proceeds to the Debtor for replacement or restoration of the portion of the Collateral lost, damaged, or destroyed if, but only if, (i) at the time of release no Event of Default exists, (ii) written application for such release is received by the Secured Party from the Debtor within 30 days of receipt of such proceeds, and (iii) the Secured Party has received evidence reasonably satisfactory to it that the Collateral lost, damaged, or destroyed has been or will be replaced or restored to its condition immediately prior to the loss, destruction, or other event giving rise to the payment of such insurance proceeds. All insurance proceeds shall be subject to the lien and security interest of the Secured Party hereunder.

UNLESS THE DEBTOR PROVIDES THE SECURED PARTY WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS AGREEMENT, THE SECURED PARTY MAY, AFTER THIRTY (30) DAYS' PRIOR WRITTEN NOTICE TO DEBTOR, PURCHASE INSURANCE AT THE DEBTOR'S EXPENSE TO PROTECT THE SECURED PARTY'S INTERESTS IN THE COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT THE DEBTOR'S INTERESTS IN THE COLLATERAL. THE COVERAGE PURCHASED BY THE SECURED PARTY MAY NOT PAY ANY CLAIMS THAT THE DEBTOR MAKES OR ANY CLAIM THAT IS MADE AGAINST THE DEBTOR IN CONNECTION WITH THE COLLATERAL. THE DEBTOR MAY LATER CANCEL ANY SUCH INSURANCE PURCHASED BY THE SECURED PARTY, BUT ONLY AFTER PROVIDING THE SECURED PARTY WITH EVIDENCE THAT THE DEBTOR HAS OBTAINED INSURANCE AS REQUIRED BY THIS AGREEMENT. IF THE SECURED PARTY PURCHASES INSURANCE FOR THE COLLATERAL, THE DEBTOR WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT THE SECURED PARTY MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF

THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE SECURED OBLIGATIONS SECURED HEREBY. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE THE DEBTOR MAY BE ABLE TO OBTAIN ON ITS OWN.

- (i) The Debtor shall at all times allow the Secured Party and its representatives free access to and right of inspection of the Collateral; *provided* that, unless the Secured Party believes in good faith an Event of Default exists, any such access or inspection shall only be required during the Debtor's normal business hours and upon previous notification to the Debtor and the right of the Debtor to be present at any such inspection.
- If any Collateral is in the possession or control of any of the Debtor's agents or processors and the Secured Party so requests, after the occurrence and during the continuation of an Event of Default, the Debtor agrees to notify such agents or processors in writing of the Secured Party's security interest therein and instruct them to hold all such Collateral for the Secured Party's account and subject to the Secured Party's instructions. The Debtor shall, upon the request of the Secured Party, authorize and instruct all bailees and other parties, if any, at any time processing, labeling, packaging, holding, storing, shipping, or transferring all or any part of the Collateral to permit the Secured Party and its representatives to examine and inspect any of the Collateral then in such party's possession and to verify from such party's own books and records any information concerning the Collateral or any part thereof which the Secured Party or its representatives may seek to verify. As to any premises not owned by the Debtor wherein any of the Collateral is located, the Debtor shall, at the Secured Party's request, cause each party having any right, title or interest in, or lien on, any of such premises to enter into an agreement (any such agreement to contain a legal description of such premises) whereby such party disclaims any right, title and interest in, and lien on, the Collateral and allows the removal of such Collateral by the Secured Party and is otherwise in form and substance reasonably acceptable to the Secured Party; provided, however, that no such agreement need be obtained with respect to any one location wherein the value of the Collateral as to which such agreement has not been obtained aggregates less than \$75,000 at any one time.
- (k) The Debtor agrees from time to time to deliver to the Secured Party such evidence of the existence, identity, and location of the Collateral and of its availability as collateral security pursuant hereto (including, without limitation, schedules describing all Receivables created or acquired by the Debtor, copies of customer invoices or the equivalent, and original shipping or delivery receipts for all merchandise and other goods sold or leased or services rendered, together with the Debtor's warranty of the genuineness thereof, and reports stating the book value of Inventory and Equipment by major category and location), in each case as the Secured Party may reasonably request. The Secured Party shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Secured Party considers appropriate (including, without limitation, the verification of Collateral by use of a fictitious name), and the Debtor agrees to furnish all assistance and information, and perform any acts, which the Secured Party may reasonably require in connection therewith.
- (l) The Debtor shall comply in all material respects with the terms and conditions of all leases, easements, right-of-way agreements, and other similar agreements binding upon the Debtor

or affecting the Collateral or any part thereof, and all orders, ordinances, laws, and statutes of any city, state, or other governmental entity, department, or agency having jurisdiction with respect to the premises wherein such Collateral is located or the conduct of business thereon.

- (m) Schedule C attached hereto contains a true, complete, and current listing of all patents, trademarks, tradestyles, copyrights, and other intellectual property rights (including all registrations and applications therefor) owned by the Debtor as of the date hereof that are registered with any governmental authority. To the extent required by the Loan Agreement or if requested by Secured Party, the Debtor shall promptly notify the Secured Party in writing of any additional intellectual property rights acquired or arising after the date hereof, and shall submit to the Secured Party a supplement to Schedule C to reflect such additional rights (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). The Debtor owns or possesses rights to use all franchises, licenses, patents, trademarks, trade names, tradestyles, copyrights, and rights with respect to the foregoing which are required to conduct its business. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and the Debtor is not liable to any person for infringement under applicable law with respect to any such rights as a result of its business operations.
- (n) Schedule F attached hereto contains a true, complete and current listing of all Commercial Tort Claims held by the Debtor as of the date hereof, each described by reference to the specific incident given rise to the claim. The Debtor agrees to execute and deliver to the Secured Party a supplement to this Agreement in the form attached hereto as Schedule G, or in such other form reasonably acceptable to the Secured Party, promptly upon becoming aware of any other Commercial Tort Claim held or maintained by the Debtor arising after the date hereof (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein).
- The Debtor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments, and documents and to do all such other things as the Secured Party may reasonably deem necessary or appropriate to assure the Secured Party its lien and security interest hereunder, including, without limitation, (i) such financing statements, and amendments thereof or supplements thereto, and such other instruments and documents as the Secured Party may from time to time reasonably require in order to comply with the UCC and any other applicable law, (ii) such agreements with respect to patents, trademarks, copyrights, and similar intellectual property rights as the Secured Party may from time to time reasonably require to comply with the filing requirements of the United States Patent and Trademark Office and the United States Copyright Office, and (iii) such control agreements with respect to all Deposit Accounts, Investment Property, Letter-of-Credit Rights, and electronic Chattel Paper, and to cause the relevant depository institutions, financial intermediaries, and issuers to execute and deliver such control agreements, as the Secured Party may from time to time reasonably require. The Debtor hereby agrees that a carbon, photographic, or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Secured Party without notice thereof to the Debtor wherever the Secured Party in its sole discretion desires to file the same. The Debtor hereby authorizes the Secured Party to file any and all financing statements covering the Collateral or any part thereof as the Secured Party may require, including financing

statements describing the Collateral as "all assets" or "all personal property" or words of like meaning. The Secured Party may order lien searches from time to time against the Debtor and the Collateral, and the Debtor shall promptly reimburse the Secured Party for all reasonable costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than the Debtor's current jurisdiction of organization or the jurisdiction identified in the schedules attached hereto as of the date hereof becomes or is applicable to the Collateral or any part thereof, or to any of the Secured Obligations, the Debtor agrees to execute and deliver all such instruments and documents and to do all such other things as the Secured Party in its sole discretion deems necessary or appropriate to preserve, protect, and enforce the lien and security interest of the Secured Party under the law of such other jurisdiction. The Debtor agrees to mark its books and records to reflect the lien and security interest of the Secured Party in the Collateral.

On failure of the Debtor to perform any of the covenants and agreements herein contained, the Secured Party may, at its option and after prior written notice to Debtor, perform the same and in so doing may expend such sums as the Secured Party may reasonably deem advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens, and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtor immediately after written demand, shall constitute additional Secured Obligations secured hereunder and shall bear interest from the date said amounts are expended at the rate provided in the Loan Agreement (such rate, including any adjusted rate following a default, the "Specified Rate"). No such performance of any covenant or agreement by the Secured Party on behalf of the Debtor, and no such advancement or expenditure therefor, shall relieve the Debtor of any default under the terms of this Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may do so according to any bill, statement, or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement, or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, or title or claim. The Secured Party, in performing any act hereunder, shall use its reasonable judgment in determining whether the Debtor is required to perform same under the terms of this Agreement. The Secured Party is hereby authorized to charge any account of the Debtor maintained with the Secured Party for the amount of such sums and amounts so expended.

Section 4. Special Provisions Re: Receivables. (a) As of the time any Receivable becomes subject to the security interest provided for hereby, and at all times thereafter, the Debtor shall be deemed to have warranted as to each and all of such Receivables that (i) all warranties of the Debtor set forth in this Agreement, to the extent applicable to such Receivables, are true and correct with respect to each such Receivable; that each Receivable and all papers and documents relating thereto are genuine and in all respects what they purport to be; and that each Receivable is valid and subsisting; and (ii) as to any reports requested by and delivered to the Secured Party as to the Receivables, that the amount of the Receivable represented as owing is in all material respects the correct amount and owing, except for normal cash discounts on normal trade terms in the ordinary course of business. Without limiting the foregoing, if any Receivable arises out of a

contract with the United States of America, or any state or political subdivision thereof, or any department, agency, or instrumentality of any of the foregoing, the Debtor agrees to notify the Secured Party and, at the Secured Party's request, execute whatever instruments and documents are required by the Secured Party in order that such Receivable shall be assigned to the Secured Party and that proper notice of such assignment shall be given under the United States Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be.

- Unless and until an Event of Default occurs, any merchandise or other goods which (b) are returned by a customer or account debtor or otherwise recovered may be resold by the Debtor in the ordinary course of its business as presently conducted in accordance with Section 6(b) hereof; and, during the existence of any Event of Default, such merchandise and other goods shall be set aside at the request of the Secured Party and held by the Debtor as trustee for the Secured Party and shall remain part of the Secured Party's Collateral. Unless and until an Event of Default occurs, the Debtor may settle and adjust disputes and claims with its customers and account debtors, handle returns and recoveries, and grant discounts, credits, and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the Debtor in good faith considers advisable; and, during the existence of any Event of Default, at the Secured Party's request, the Debtor shall notify the Secured Party promptly of all returns and recoveries and, on the Secured Party's request, deliver any such merchandise or other goods to the Secured Party. During the existence of any Event of Default, at the Secured Party's request, the Debtor shall also notify the Secured Party promptly of all disputes and claims and settle or adjust them at no expense to the Secured Party, but no discount, credit, or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other goods shall be accepted by the Debtor without the Secured Party's consent. The Secured Party may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Secured Party considers advisable.
- (c) Unless delivered to the Secured Party or its agent, upon the request of the Secured Party all tangible Chattel Paper and Instruments shall contain a legend acceptable to the Secured Party indicating that such Chattel Paper or Instrument is subject to the security interest of the Secured Party contemplated by this Agreement.
- Section 5. Collection of Receivables. (a) Except as otherwise provided in this Agreement, the Debtor shall make collection of all Receivables and may use the same to carry on its business in accordance with sound business practice and otherwise subject to the terms hereof.
- (b) Upon the occurrence of any Event of Default, which is continuing, whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 5, in the event the Secured Party requests the Debtor to do so:
 - (i) all Instruments and Chattel Paper at any time constituting part of the Receivables or any other Collateral (including any postdated checks) shall, upon receipt by the Debtor, be immediately endorsed to and deposited with the Secured Party; and/or

- (ii) the Debtor shall instruct all customers and account debtors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Secured Party.
- (c) Upon the occurrence of any Event of Default, which is continuing, whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 5, the Secured Party or its designee may notify the Debtor's customers and account debtors at any time that Receivables or any other Collateral have been assigned to the Secured Party or of the Secured Party's security interest therein, and either in its own name, or the Debtor's name, or both, demand, collect (including, without limitation, through a lockbox analogous to that described in Section 5(b)(ii) hereof), receive, receipt for, sue for, compound, and give acquittance for any or all amounts due or to become due on Receivables or any other Collateral, and in the Secured Party's discretion file any claim or take any other action or proceeding which the Secured Party may deem reasonably necessary or appropriate to protect or realize upon the security interest of the Secured Party in the Receivables or any other Collateral.
- Any proceeds of Receivables or other Collateral transmitted to or otherwise received by the Secured Party pursuant to any of the provisions of Sections 5(b) or 5(c) hereof may be handled and administered by the Secured Party in and through a remittance account at the Secured Party. The Debtor acknowledges that the maintenance of any such remittance account by the Secured Party is solely for the Secured Party's convenience and that the Debtor does not have any right, title, or interest in such remittance account. The Secured Party may, after the occurrence and during the continuation of any Event of Default, apply all or any part of any proceeds of Receivables or other Collateral received by it from any source to the payment of the Secured Obligations (whether or not then due and payable), such applications to be made in such amounts, in such manner and order and at such intervals as the Secured Party may from time to time in its discretion determine in accordance with the Financing Documents. The Secured Party need not apply or give credit for any item included in proceeds of Receivables or other Collateral until the Secured Party has received final payment therefor at its office in immediately available funds, acceptable to the Secured Party as such. However, if the Secured Party does give credit for any item prior to receiving final payment therefor and the Secured Party fails to receive such final payment or an item is charged back to the Secured Party for any reason, the Secured Party may at its election in either instance charge the amount of such item back against the remittance account or any account of the Debtor maintained with the Secured Party, together with interest thereon at the Specified Rate. Concurrently with each transmission of any proceeds of Receivables or other Collateral to the remittance account, the Debtor shall furnish the Secured Party with a report in such form as the Secured Party shall reasonably require identifying the particular Receivable or other Collateral from which the same arises or relates. Unless and until an Event of Default shall have occurred and be continuing, the Secured Party will release proceeds of Collateral which the Secured Party has not applied to the Secured Obligations as provided above from the remittance account from time to time promptly after receipt thereof. The Debtor hereby indemnifies the Secured Party from and against all liabilities, damages, losses, actions, claims, judgments, costs, expenses, charges and attorneys' fees suffered or incurred by the Secured Party because of the maintenance of the foregoing arrangements; provided, however, that the Debtor shall not be required to indemnify the Secured Party for any of the foregoing to the extent they arise solely from the gross negligence or willful misconduct of the Secured Party. The Secured Party shall

have no liability or responsibility to the Debtor for accepting any check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement whatsoever or be responsible for determining the correctness of any remittance.

- Section 6. Special Provisions Re: Inventory and Equipment. (a) The Debtor shall at its own cost and expense maintain, keep and preserve the Inventory in good and merchantable condition and keep and preserve the Equipment in good repair, working order and condition, ordinary wear and tear excepted, and, without limiting the foregoing, make all necessary and proper repairs, replacements and additions to the Equipment (except for Equipment that has become obsolete or of immaterial value) so that the efficiency thereof shall be fully preserved and maintained.
- (b) The Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, use, consume and sell the Inventory in the ordinary course of its business, but a sale in the ordinary course of business shall not under any circumstance include any transfer or sale in satisfaction, partial or complete, of a debt owing by the Debtor.
- (c) The Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, sell or otherwise dispose of Equipment to the extent permitted by the Loan Agreement.
- (d) As of the time any Inventory or Equipment becomes subject to the security interest provided for hereby and at all times thereafter, the Debtor shall be deemed to have warranted as to any and all of such Inventory and Equipment that all warranties of the Debtor set forth in this Agreement, to the extent applicable to such Inventory and Equipment, are true and correct in all material respects with respect to such Inventory and Equipment; that all of such Inventory and Equipment is located at a Permitted Collateral Location, except for Inventory and Equipment which (x) in the ordinary course of the Debtor's business is in transit between Permitted Collateral Locations, (y) in the ordinary course of the Debtor's business is out for repair, or (z) is otherwise de minimis in value; and that, in the case of Inventory, such Inventory is in good and merchantable condition. The Debtor warrants and agrees that no Inventory is or will be consigned to any other person without the Secured Party's prior written consent.
- (e) Upon the Secured Party's request, the Debtor shall at its own cost and expense cause the lien of the Secured Party in and to any portion of the Collateral subject to a certificate of title law to be duly noted on such certificate of title or to be otherwise filed in such manner as is prescribed by law in order to perfect such lien and shall cause all such certificates of title and evidences of lien to be deposited with the Secured Party.
- (f) None of the Equipment is or will be attached to real estate in such a manner that the same may become a fixture, except for Equipment from time to time (i) located on real estate subject to a mortgage in favor of the Secured Party, (ii) located on real property described on Schedule D, or (iii) disclosed to the Secured Party in writing prior to such Equipment becoming a fixture.

- (g) If any of the Inventory is at any time evidenced by a document of title, to the extent required by the Loan Agreement or upon Secured Party's request, such document shall be promptly delivered by the Debtor to the Secured Party.
- Section 7. Special Provisions Re: Investment Property and Deposits. (a) Unless and until an Event of Default has occurred and is continuing and thereafter until notified to the contrary by the Secured Party pursuant to Section 9(d) hereof:
 - (i) the Debtor shall be entitled to exercise all voting and/or consensual powers pertaining to the Investment Property or any part thereof, for all purposes not inconsistent with the terms of this Agreement or any other document evidencing or otherwise relating to any Secured Obligations; and
 - (ii) the Debtor shall be entitled to receive and retain all cash dividends paid upon or in respect of the Investment Property.
- All Investment Property (including all securities, certificated or uncertificated, securities accounts, and commodity accounts) of the Debtor on the date hereof is listed and identified on Schedule E attached hereto and made a part hereof. To the extent required by the Loan Agreement or upon Secured Party's request, the Debtor shall promptly notify the Secured Party of any other Investment Property acquired or maintained by the Debtor after the date hereof, and shall submit to the Secured Party a supplement to Schedule E to reflect such additional rights (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). To the extent required by the Loan Agreement or upon Secured Party's request, certificates for all certificated securities now or at any time constituting Investment Property shall be promptly delivered by the Debtor to the Secured Party duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto, including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision, or reclassification of the Investment Property or any part thereof or received in addition to, in substitution of, or in exchange for the Investment Property or any part thereof as a result of a merger, consolidation, or otherwise. With respect to any uncertificated securities or any Investment Property held by a securities intermediary, commodity intermediary, or other financial intermediary of any kind, at the Secured Party's request, the Debtor shall execute and deliver, and shall cause any such issuer or intermediary to execute and deliver, an agreement among the Debtor, the Secured Party, and such issuer or intermediary in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the issuer's or intermediary's agreement that it shall comply with entitlement orders, and apply any value distributed on account of any such Investment Property, as directed by the Secured Party without further consent by the Debtor. The Secured Party may at any time, after the occurrence of an Event of Default, which is continuing, cause to be transferred into its name or the name of its nominee or nominees all or any part of the Investment Property hereunder.
- (c) Unless and until an Event of Default has occurred and is continuing, the Debtor may sell or otherwise dispose of any Investment Property to the extent permitted by the Loan Agreement, *provided that* the Debtor shall not sell or otherwise dispose of any capital stock of or

other equity interests in any direct or indirect subsidiary without the prior written consent of the Secured Party. After the occurrence and during the continuation of any Event of Default, the Debtor shall not sell all or any part of the Investment Property without the prior written consent of the Secured Party.

- (d) The Debtor represents that on the date of this Agreement, none of the Investment Property consists of margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System) except to the extent the Debtor has delivered to the Secured Party a duly executed and completed Form U-1 with respect to such stock. If at any time the Investment Property or any part thereof consists of margin stock, the Debtor shall promptly so notify the Secured Party and deliver to the Secured Party a duly executed and completed Form U-1 and such other instruments and documents reasonably requested by the Secured Party in form and substance reasonably satisfactory to the Secured Party.
- (e) Notwithstanding anything to the contrary contained herein, in the event any Investment Property is subject to the terms of a separate security agreement in favor of the Secured Party, the terms of such separate security agreement shall govern and control unless otherwise agreed to in writing by the Secured Party.
- (f) All Deposit Accounts of the Debtor on the date hereof are listed and identified (by account number and depository institution) on Schedule E attached hereto and made a part hereof. To the extent required by the Loan Agreement or upon Secured Party's request, the Debtor shall promptly notify the Secured Party of any other Deposit Account opened or maintained by the Debtor after the date hereof, and shall submit to the Secured Party a supplement to Schedule E to reflect such additional accounts (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). To the extent requested by Secured Party, the Debtor, the depository institution, and the Secured Party shall execute and deliver an account control agreement in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Secured Party directing the disposition of the funds in each such the Deposit Account without further consent by such Debtor.

Section 8. Power of Attorney. In addition to any other powers of attorney contained herein, the Debtor hereby appoints the Secured Party, its nominee, and any other person whom the Secured Party may designate, as the Debtor's attorney-in-fact, with full power and authority to sign the Debtor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to the Debtor's customers, account debtors, and other obligors; to endorse the Debtor's name on any checks, notes, acceptances, money orders, drafts, and any other forms of payment or security that may come into the Secured Party's possession or on any assignments, stock powers, or other instruments of transfer relating to the Collateral or any part thereof; to sign the Debtor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account debtors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; and to do all things necessary to carry out this Agreement. Secured Party agrees not to exercise such power except during an Event of Default which is continuing. The Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor

any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct. The Secured Party may file one or more financing statements disclosing its security interest in any or all of the Collateral without the Debtor's signature appearing thereon. The Debtor also hereby grants the Secured Party a power of attorney to execute any such financing statements, or amendments and supplements to financing statements, on behalf of the Debtor without notice thereof to the Debtor. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Secured Obligations have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated.

- Section 9. Defaults and Remedies. (a) Unless waived by the Secured Party, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Loan Parties and the Secured Party in any of the following events (each, an "Event of Default" hereunder):
 - (i) the Debtor defaults, or threatens to default, in payments when due of any Secured Obligation, or any Loan Party defaults or threatens to default, in payments when due under any Financing Document; or
 - (ii) any Loan Party is in breach of any term, condition, obligation or covenant made by it to or with the Secured Party, or any representation or warranty of any such Person is untrue or ceases to be accurate, whether or not contained in this Security Agreement or another Financing Document; or
 - (iii) any event shall occur or condition shall exist which is specified as an "Event of Default" under the Loan Agreement, or any other default shall occur in the observance or performance of any terms or provisions of any instrument or document evidencing or securing any Secured Obligations or setting forth terms and conditions applicable thereto or otherwise relating thereto, or this Agreement shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void; or
 - (iv) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
 - (v) any Loan Party ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
 - (vi) any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any similar process or processes shall be entered or filed against the Debtor or against any of its property or assets and which remains unvacated, unbonded, unstayed or unsatisfied for a period of thirty (30) days after the earlier of (i) written notice to the Debtor thereof, and (ii) the Debtor becomes aware of such judgment or judgments, writ or writs, or warrant or warrants of attachment, or any such similar process or processes; or

- (vii) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (viii) the Secured Party in good faith and on commercially reasonable grounds believes that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction such that the Secured Party's lien thereon would be unperfected, except in the ordinary course of business; or
- (ix) the lessor under any lease to the Debtor of any real property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease against the Collateral as a result of any default by the Debtor; or
- (x) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Borrower or to be incorporated into any of its assets other than in accordance with applicable law, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority.
- Upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Secured Party may, without demand and without advertisement, notice, hearing, or process of law, all of which the Debtor hereby waives, at any time or times, sell and deliver all or any part of the Collateral (and any other property of the Debtor attached thereto or found therein) held by or for it at public or private sale, for cash, upon credit, or otherwise, at such prices and upon such terms as the Secured Party deems advisable, in its sole discretion. In addition to all other sums due the Secured Party hereunder, the Debtor shall pay the Secured Party all costs and expenses incurred by the Secured Party, including attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or the Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Debtor in accordance with Section 12(b) hereof at least 30 days before the time of sale or other event giving rise to the requirement of such notice; provided however, no notification need be given to the Debtor if the Debtor has signed, after an Event of Default has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Secured Party may be the purchaser at any such sale. The Debtor hereby waives all of its rights of redemption from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed, or the Secured Party may further postpone such sale by

announcement made at such time and place. The Secured Party has no obligation to prepare the Collateral for sale. The Secured Party may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and the Debtor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

- Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have the right, in addition to all other rights provided herein or by law, to take physical possession of any and all of the Collateral and anything found therein, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the Debtor's premises (the Debtor hereby agreeing to lease such premises without cost or expense to the Secured Party or its designee if the Secured Party so requests) or to remove the Collateral or any part thereof to such other places as the Secured Party may desire. Upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have the right to exercise any and all rights with respect to all Deposit Accounts of the Debtor, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw, and receive all amounts due or to become due or payable under each such Deposit Account. Upon the occurrence and during the continuation of any Event of Default, the Debtor shall, upon the Secured Party's demand, promptly assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party. If the Secured Party exercises its right to take possession of the Collateral, the Debtor shall also at its expense perform any and all other steps reasonably requested by the Secured Party to preserve and protect the security interest hereby granted in the Collateral, such as placing and maintaining signs indicating the security interest of the Secured Party, appointing overseers for the Collateral, and maintaining Collateral records.
- Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, all rights of the Debtor to exercise the voting and/or consensual powers which it is entitled to exercise pursuant to Section 7(a)(i) hereof and/or to receive and retain the distributions which it is entitled to receive and retain pursuant to Section 7(a)(ii) hereof, shall, at the option of the Secured Party, cease and thereupon become vested in the Secured Party, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property (including, without limitation, the right to deliver notice of control with respect to any Investment Property held in a securities account or commodity account and deliver all entitlement orders with respect thereto) and/or to receive and retain the distributions which the Debtor would otherwise have been authorized to retain pursuant to Section 7(a)(ii) hereof and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange, or subscription or any other rights, privileges, or options pertaining to any Investment Property as if the Secured Party were the absolute owner thereof. Without limiting the foregoing, the Secured Party shall have the right to exchange, at its discretion, any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization, or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Secured Party of any right, privilege, or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver any and all of the Investment Property with any committee,

depositary, transfer agent, registrar, or other designated agency upon such terms and conditions as the Secured Party may determine. In the event the Secured Party in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable.

- (e) Without in any way limiting the foregoing, the Debtor hereby grants to the Secured Party a royalty-free irrevocable non-exclusive license and right to use all of the Debtor's patents, patent applications, patent licenses, trademarks, trademark registrations, trademark licenses, trade names, trade styles, copyrights, copyright applications, copyright licenses, and similar intangibles in connection with any foreclosure or other realization by the Secured Party on all or any part of the Collateral. The license and right granted the Secured Party hereby shall be without any royalty or fee or charge whatsoever.
- The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on it any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property, consisting of similar type assets, it being understood, however, that the Secured Party shall have no responsibility for ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders, or other matters relating to any such Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Debtor in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. The Secured Party shall have no responsibility for taking any necessary steps to preserve rights against any parties with respect to any Collateral or initiating any action to protect the Collateral against the possibility of a decline in market value. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct.
- (g) Failure by the Secured Party to exercise any right, remedy, or option under this Agreement or any other agreement between the Debtor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver; and no waiver by the Secured Party shall be effective unless it is in writing and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have.
- Section 10. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Secured Party after the occurrence and during the continuation of any Event of Default shall, when received by the Secured Party in cash or its equivalent, be applied by the Secured Party as follows:
 - (i) first, to the payment and satisfaction of all sums paid and costs and expenses incurred by the Secured Party hereunder or otherwise in connection herewith, including such monies paid or incurred in connection with protecting, preserving or realizing upon

the Collateral or enforcing any of the terms hereof, including reasonable attorneys' fees and court costs, together with any interest thereon (but without preference or priority of principal over interest or of interest over principal), to the extent the Secured Party is not reimbursed therefor by the Debtor; and

(ii) second, to the payment and satisfaction of the remaining Secured Obligations, whether or not then due (in whatever order the Secured Party elects), both for interest and principal.

The Debtor shall remain liable to the Secured Party for any deficiency. Any surplus remaining after the full payment and satisfaction of the foregoing shall be returned to the Debtor or to whomsoever the Secured Party reasonably determines is lawfully entitled thereto.

Section 11. Continuing Agreement. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations, both for principal and interest, have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated. Upon such termination of this Agreement, the Secured Party shall, upon the request and at the expense of the Debtor, forthwith release its security interest hereunder.

Section 12. Miscellaneous. (a) This Agreement cannot be changed or terminated orally. All of the rights, privileges, remedies, and options given to the Secured Party hereunder shall inure to the benefit of its successors and assigns, and all the terms, conditions, covenants, agreements, representations, and warranties of and in this Agreement shall bind the Debtor and its legal representatives, successors and assigns, provided that the Debtor may not assign its rights or delegate its duties hereunder without the Secured Party's prior written consent.

(b) Except as otherwise specified herein, all notices hereunder shall be in writing and shall be given in person, or by letter sent by fax, mail or courier to the address, fax number set forth below, or such other address or fax number as such party may hereafter specify by notice to the Secured Party given in the manner herein provided. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax 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). Notices hereunder shall be addressed:

to the Debtor at:

Shaw Almex Fusion, LLC 323 Glover Rd. Stoney Creek, Ontario, L8E 5M2

Telephone: 905-220-0519 (Tim Shaw) and/or 905-641-7750 #1286 (Ryan Neufeld)

Attention: Tim Shaw, CEO and/or Ryan Neufeld, CFO

Email Address: tim.shaw@almex.com and/or ryan.neufeld@almex.com

to the Secured Party at:

BDC Capital Inc. 148 Fullarton St Suite 1000 London, Ontario, N6A 5P3 Fax: (519) 645-5450

- (c) In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such locations where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.
- (d) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS TO BE PERFORMED ENTIRELY THEREIN. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.
- (e) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. Each counterpart may be delivered via facsimile, electronic mail or other electronic medium (including PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act, e.g., www.docusign.com) or any other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The Debtor acknowledges that this Agreement is and shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.
- (f) The Debtor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Debtor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such court has been brought in an inconvenient forum. The Debtor And the Secured Party Each Hereby Irrevocably Waives any and all right to trial by Jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.
- (g) Capitalized terms used and not defined herein have the meaning set forth in the Loan Agreement.

(h) Notwithstanding anything to the contrary contained herein, and notwithstanding the fact that this Agreement is governed by the law of the State of New York, it is understood and agreed by the parties hereto that (i) "reasonable attorneys' fees" are not, and shall not be, statutory attorneys' fees under the Official Code of Georgia Annotated ("O.C.G.A."), and (ii) the Guarantor shall not be liable under any circumstances for additional attorneys' fees or expenses under O.C.G.A. § 13-1-11.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Debtor has caused this General Security Agreement to be duly executed and delivered as of the date and year first above written.

By:

Name: Tim Shaw

Title: President

SHAW ALMEX FUSION, LLC, A GEORGIA

Accepted and agreed to as of the date and year first above written.

BDC CAPITAL INC.	
Marvin Junop	
Ву	
Name: Marvin Junop	
Title: Director	
Scott Lewis	
Ву	
Name: Scott Lewis	
Title: Managing Director	

SCHEDULE A

LOCATIONS

Item 1. Places of Business (including Debtor's chief executive office and principal place of business):

ADDRESS

- 2933 Miller Rd, Decatur, Georgia 30035, USA
- 1484 Airport Rd, Huntington, West Virginia 25704, USA
- 6401 Broadway, Unit Q, Denver, Colorado 80221, USA
- Item 2. Permitted Collateral Locations:

ADDRESS

OWNER OF PREMISES

- 2933 Miller Rd Decatur, Georgia 30035, USA
- 1484 Airport Rd Huntington, West Virginia 25704, USA
- 6401 Broadway, Unit Q
 Denver, Colorado 80221, USA

SCHEDULE B

OTHER NAMES

A. PRIOR LEGAL NAMES

None.

B. TRADE NAMES

None.

SCHEDULE C

INTELLECTUAL PROPERTY RIGHTS

None.

SCHEDULE D

REAL ESTATE LOCATIONS FOR FIXTURES

See locations listed above, if any.

SCHEDULE E

INVESTMENT PROPERTY AND DEPOSIT ACCOUNTS

A. INVESTMENT PROPERTY

To be provided upon request

B. DEPOSIT ACCOUNTS

To be provided upon request

SCHEDULE F

COMMERCIAL TORT CLAIMS

None.

SCHEDULE G

SUPPLEMENT TO GENERAL SECURITY AGREEMENT

this day of,	AL SECURITY AGREEMENT (the "Supplement") is dated as of 20 from Shaw Almex Fusion, LLC, a limited liability of the State of Georgia (the "Debtor"), to BDC Capital Inc.
(the "Secured Party").	of the State of Georgia (the <i>Debior</i>), to BDC Capital Inc.
PREL	IMINARY STATEMENTS
Agreement dated as of September 10 from time to time be amended, modi	Secured Party are parties to that certain General Security 0, 2021 (such General Security Agreement, as the same may fied or restated, being hereinafter referred to as the "Security used herein without definition shall have the same meanings he Security Agreement.
	Agreement, the Debtor granted to the Secured Party, among terest in all Commercial Tort Claims.
<u> </u>	ed a Commercial Tort Claim, and executes and delivers this se Secured Party's security interest therein.
	eration of the benefits accruing to the Debtor, and other good cipt and sufficiency of which are hereby acknowledged, the
± •	ment of the Secured Obligations, whether now existing or nereby grant to the Secured Party a continuing lien on and Fort Claim described below:

2. Schedule F (Commercial Tort Claims) to the Security Agreement is hereby amended to include reference to the Commercial Tort Claim referred to in Section 1 above. The Commercial Tort Claim described herein is in addition to, and not in substitution or replacement for, the Commercial Tort Claims heretofore described in and subject to the Security Agreement, and nothing contained herein shall in any manner impair the priority of the liens and security interests heretofore granted by the Debtor in favor of the Secured Party under the Security Agreement.

- 3. The Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Secured Party may deem necessary or proper to carry out more effectively the purposes of this Supplement.
- 4. No reference to this Supplement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, any reference to the Security Agreement in any of such items to be deemed a reference to the Security Agreement as supplemented hereby. The Debtor acknowledges that this Supplement shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Supplement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.
- 5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS TO BE PERFORMED ENTIRELY THEREIN.

SHAW ALMEX FUSION, LLC

By	
Name	
Title	

THIS IS **EXHIBIT "X"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

Jessica Withmann

AD93 DYNASTY CAPITAL

DYNASTY CAPITAL 26, LLC (646) 660-4511

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			· — Let's Build a Dynasty — •			, ,
Seller's Legal Name: Sh	IAW ALMEX FUSIO	N LLC				
Tax ID: <u>73-1735654</u>	D/B/A: SHAW ALI	MEX FUSION				
State of Incorporation and Form of Business Entity: GA LIMITED LIABILITY COMPANY			Street Address: 2933 MILLER RD.	City: DECATUR	State: GA	Zip: 30035
Primary Contact Name:	TIMOTHY GLEN SH	HAW	Mailing Address:	City,	State:	Zip:
Title: OWNER	Phone Number:		491 SECOND RD	STONEY CREEK		
Seller's Bank Account:	Name of Bank:		ABA Transit/Routing #:	Chec	cking Account #:	
Purchase Price Pa				tial Periodic Amount		
\$350,000.0	0			\$21,795.00		
Purchased Amount of \$479,500.0	·			ne Initial Periodic Amo		
			eriodic Amount is an estimate It the Periodic Amount from y			
Specified Per 26%			ue. We based the Initial Period			
Periodic Fre	auency:		ulate your average revenue on the section 4 of this Agreemer			
Weekly						
Purchase Price \$3	350,000.00					
Prior Balance(s) - \$		applicable) pa	aid to Buyer and/or third part	ies		
Wire Fee - \$		applicable)				
Origination Fee - \$						
Net Amount Funded	d to Seller $$332$,	500.00				
	ropolitan Ave, Fore		') effective, <u>09/30/2024</u> 11375 ("Buyer"), the busir			
•			ourse, the Purchased Amou ecified Percentage of Futur	-		-
_		_	o the terms and condition rees that this transaction is		-	luding those terms
Seller: SHAW ALMEX	FUSION LLC					
Agreed to by: TIMOTH	HY GLEN SHAW	SIGNITUR ,	Signed by: Timothy Glun Shaw EBBTPT000931743C	, its <u>O\</u>	<u>WNER</u> (Title	e) Initials; TES
		_	Guarantor agrees to the t pages, and further agrees			_
			of performance, and by sigertain obligations of Seller a			ll be personally
Guarantor #1 Name:	TIMOTHY GLEN SH	AW	,			
Social Security: 471-7	6-7756 , sig	NITURE Time	od by: Huy Gen Shaw F7DD931745C	Date: <u>09/3</u>	<u>0/2024</u> Initials	: TES
Guarantor #2 Name:_			,			
Social Security:	SIG	NITURE		Date: <u>09/3</u>	<u>0/2024</u> Initials	;
Sale of F	uture Receipts Agreem	ent Page 1 of G	9 Gı	uarantor(s)/Seller(s) In	itials:	

SALE OF FUTURE RECEIPTS AGREEMENT TERMS AND CONDITIONS

- **1. Future Receipts.** "Future Receipts" includes all payments made by cash, check, Automated Clearing House ("ACH") or other electronic transfer, credit card, debit card, bank card, charge card (each such card shall be referred to herein as a "Payment Card") or other form of monetary payment in the ordinary course of Seller's business. As payment for the Purchased Amount, Buyer will pay to Seller the Purchase Price, minus any fees and amounts to satisfy prior balances shown above.
- 2. Buyer's Acceptance of Agreement. The obligation of Buyer under this Agreement will not be effective unless and until Buyer has completed its review of the Seller and has accepted this Agreement by delivering the Net Amount Funded to Seller, shown above. Prior to accepting this Agreement, Buyer may conduct a processing trial to confirm its access to Seller's Account, shown above (the "Account") and the ability to withdraw the Initial Periodic Amount. If the processing trial is not completed to the satisfaction of Buyer, Buyer will refund to Seller all funds that were obtained by Buyer during the processing trial.
- 3. Delivery of Purchased Amount. Seller authorizes Buyer to debit the Initial Periodic Amount or any updated periodic amount (the "Periodic Amount") from the Account each business day by either ACH or electronic check. Seller will provide Buyer with all required Account information and agrees not to change them without prior written consent from Buyer. Seller will provide an appropriate ACH authorization to Buyer. If any draft or electronic debit is returned for insufficient funds, then Seller will be responsible for any fees incurred by Buyer resulting from a rejected electronic check or ACH debit attempt, as set forth on Appendix A. Buyer is not responsible for any overdrafts or rejected transactions that may result from Buyer's debiting any amount authorized under the terms of this Agreement. Seller understands that the foregoing ACH authorization is a fundamental condition to induce Buyer to accept the Agreement. Consequently, such authorization is intended to be irrevocable during the course of this Agreement.

In the event that Seller changes or permits changes to the Account or the ACH authorization approved by the Buyer or adds an additional bank account, Buyer shall have the right, without waiving any of its rights and remedies and without notice to Seller or any Guarantor, to notify the new or additional bank of this Agreement and to direct such new or additional bank to remit to the Buyer all or any portion of the amounts received by such bank. Any such new account shall be deemed an Account.

- 4. Reconciliation and Adjusting the Periodic Amount (IMPORTANT PROTECTION FOR SELLER). The initial Periodic Amount is intended to represent the Specified Percentage of Seller's Future Receipts. At any time, Seller or Buyer may request a reconciliation of Seller's actual revenue to adjust the Periodic Amount to more closely reflect the Seller's actual Future Receipts times the Specified Percentage.
- a. **How Seller may Request a Reconciliation**. Call Buyer at (646) 660-4511 or email admin@dynastycapitalllc.com

- b. **How Buyer may Request a Reconciliation.** Buyer may request a reconciliation in writing via regular mail or e-mail.
- c. **Reconciliation Information.** Seller shall provide Buyer with a copy of Seller's most recent month's official Account statement (the "Reconciliation Information"). Upon receipt of the Reconciliation Information, Buyer shall promptly recalculate Seller's average revenue. If necessary to verify the Reconciliation Information, Buyer may request additional documentation including view-only access to the Account.
- d. Adjusting the Periodic Amount. Within five (5) calendar days of Buyer's reasonable verification of the Reconciliation Information, Buyer shall adjust the Periodic Amount on a going-forward basis to more closely reflect Seller's actual Receipts times the Specified Percentage. Buyer will notify Seller prior to any such adjustment. After each adjustment made pursuant to this paragraph, the new dollar amount will be deemed the updated Periodic Amount until any subsequent adjustment.
- e. **Failure to Provide Reconciliation Information.** If Seller requests a reconciliation and fails to provide the Reconciliation Information within five (5) calendar days after Seller's reconciliation request, Buyer may consider Seller's reconciliation request withdrawn. If Buyer requests a reconciliation and Seller fails to provide the Reconciliation Information within five (5) calendar days after Buyer's reconciliation request, Buyer may adjust the Periodic Amount based on the best information reasonably available to Buyer.
- Nonrecourse Sale of Future Receipts (THIS IS NOT A LOAN). Seller is selling a portion of a future revenue stream to Buyer at a discount, not borrowing money from Buyer. There is no interest rate or payment schedule and no time period during which the Purchased Amount must be collected by Buyer. Seller acknowledges that it has no right to repurchase the Purchased Amount from Buyer. Buyer assumes the risk that Future Receipts may be remitted more slowly than Buyer may have anticipated or projected because Seller's business has slowed down, and the risk that the full Purchased Amount may never be remitted because Seller's business went bankrupt or Seller otherwise ceased operations in the ordinary course of business. Buyer is buying the Purchased Amount knowing the risks that Seller's business may slow down or fail, and Buyer assumes these risks based on Seller's representations, warranties and covenants in this Agreement that are designed to give Buyer a reasonable and fair opportunity to receive the benefit of its bargain. By this Agreement, Seller transfers to Buyer full and complete ownership of the Purchased Amount of Future Receipts and Seller retains no legal or equitable interest therein.
- **6. Fees and Charges.** A list of all fees and charges applicable under this Agreement is contained in Appendix A. Some or all of the Origination Fee may be paid to a broker. Otherwise, Buyer is NOT CHARGING ANY BROKER FEES to Seller. If Seller is charged another such fee, Seller acknowledges that it is not being charged by Buyer.

- 7. Credit Report and Other Authorizations. Seller and each of the Guarantors signing above authorize Buyer, its agents and representatives and any credit reporting agency engaged by Buyer, to (i) investigate any references given or any other statements or data obtained from or about Seller or any of the Guarantors for the purpose of this Agreement, (ii) obtain consumer and business credit reports on the Seller and any of its Owners, and (iii) to contact personal and business references provided by the Seller in the Application, at any time now or for so long as Seller and/or Guarantors continue to have any obligations to Buyer as a consequence of this Agreement or for Buyer's ability to determine Seller's eligibility to enter into any future agreement with Buyer.
- **8.** Authorization to Contact Current and Prior Banks. Seller hereby authorizes Buyer to contact any current or prior bank of the Seller in order to obtain whatever information it may require regarding Seller's transactions with any such bank. Such information may include but is not limited to, information necessary to verify the amount of Future Receipts previously processed on behalf of Seller and any fees that may have been charged by the bank. In addition, Seller authorizes Buyer to contact any current or prior bank of the Seller for collections and in order to confirm that Seller is exclusively using the Account identified above, or any other account approved by Buyer, for the deposit of all business receipts.
- 9. Right to Cancel. Seller understands that Buyer offers Seller a right to cancel this Agreement at any time within two (2) calendar days after Buyer has delivered the Net Amount Funded. Seller may exercise this right by notifying Buyer that it is cancelling this Agreement and returning the Net Amount Funded to Buyer. For the Seller's right to cancel to be effective, Buyer must receive both the notice and the return of the Net Amount Funded within two (2) calendar days after the Buyer has delivered the Net Amount Funded.
- 10. Financial Information. Seller authorizes Buyer and its agents to investigate its financial responsibility and history, and will provide to Buyer any authorizations, banking or financial statements, tax returns, etc., as Buyer deems necessary and reasonable prior to or at any time after execution of this Agreement. A photocopy of this authorization will be deemed acceptable as an authorization for release of financial and credit information. Buyer is authorized to update such information and financial and credit profiles from time to time as it deems appropriate. Seller waives, to the maximum extent permitted by law, any claim for damages against Buyer or any of its affiliates relating to any investigation undertaken by or on behalf of Buyer as permitted by this Agreement or disclosure of information as permitted by this Agreement.
- **11. Transactional History.** Seller authorizes all of its banks and brokers and its Payment Card processor(s) to provide Buyer with Seller's banking, brokerage and/or processing history to determine qualification or continuation in this program, or for collections upon a breach of this Agreement.
- **12. Application of Amounts Received by Buyer.** Buyer reserves the right to apply amounts received by it under this Agreement to any fees or other charges due to Buyer from Seller prior to applying such amounts to reduce the amount of any outstanding Purchased Amount.

- **13.** Representations, Warranties and Covenants of Seller. As of the date of this Agreement and, unless expressly stated otherwise, continuing until Buyer has received 1) the Purchased Amount and 2) all fees and charges due under this Agreement, Seller represents, warrants and covenants to Buyer as follows:
- a. **No Diversion of Future Receipts.** Seller must deposit all Future Receipts into the Account on a daily basis and must instruct Seller's credit card processor, which must be approved by Buyer (the "Processor") to deposit all Payment Card receipts of Seller into the Account on a daily basis. Seller agrees not to (i) change the Account, (ii) add an additional Account, (iii) revoke Buyer's authorization to debit the Account, (iv) close the Account without the express written consent of Buyer or, (v) take any other action with the intent to interfere with Buyer's right to collect the purchased Future Receipts.
- b. **Stacking Prohibited.** Seller shall not enter into any merchant cash advance or any loan agreement that relates to or encumbers its Future Receipts or requires daily payments with any party other than Buyer for the duration of this Agreement. Buyer may share information regarding this Agreement with any third party in order to determine whether Seller is in compliance with this provision.
- c. **Financial Condition and Financial Information.** Any bank statements and financial statements of Seller that have been furnished to Buyer, and future statements that will be furnished to Buyer, fairly represent the financial condition of Seller at such dates. Furthermore, Seller represents that all documents, forms and recorded interviews provided to or with Buyer are true, accurate and complete in all respects, and accurately reflect Seller's financial condition and results of operations at the time they are provided. Seller further agrees to authorize the release of any past or future tax returns to Buyer.
- d. **Governmental Approvals.** Seller is in compliance and shall comply with all applicable federal, state and local laws, rules and regulations and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the businesses in which it is presently engaged and/or will engage in hereafter.
- e. **Authority to Enter Into This Agreement.** Seller and the person(s) signing this Agreement on behalf of Seller, have full power and authority to incur and perform the obligations under this Agreement, all of which have been duly authorized.
- f. Change of Name or Location or Sale or Closing of Business. Seller will not conduct Seller's businesses under any name other than as disclosed to Buyer or change any of its places of business without prior written consent of Buyer. Seller will not voluntarily sell, dispose, transfer or otherwise convey all or substantially all of its business or assets without (i) the express prior written consent of Buyer, and (ii) the written agreement of any purchaser or transferee assuming all of Seller's obligations under this Agreement pursuant to documentation satisfactory to Buyer. Except as disclosed to Buyer in writing, Seller has no current plans to close its business either temporarily, whether for renovations, repairs or any other purpose, or permanently. Seller will not voluntarily close its business on a temporary basis for renovations, repairs, or any other voluntary purposes. This provision, however, does not prohibit Seller from closing its business temporarily if such

closing is required to conduct renovations or repairs that are required by local ordinance or other legal order, such as from a health or fire inspector, or if otherwise forced to do so by circumstances outside of the control of Seller. Prior to any such closure, Seller will provide Buyer five (5) calendar days' notice to the extent practicable.

- g. No Pending or Contemplated Bankruptcy as of the Date of this Agreement. As of the date of this Agreement, Seller does not contemplate and has not filed any petition for bankruptcy protection under Title 11 of the United States Code and there has been no involuntary petition brought or pending against Seller. Seller represents that it has not consulted with a bankruptcy attorney within six months prior to the date of this Agreement. Seller further warrants that as of the date of this Agreement (i) it does not anticipate filing a bankruptcy petition and (ii) it does not anticipate that an involuntary petition will be filed against it.
- h. **Seller to Pay Taxes Promptly.** Seller will promptly pay all necessary taxes, including but not limited to employment and sales and use taxes.
- i. **No Violation of Prior Agreements.** Seller's execution and performance of this Agreement will not conflict with any other agreement, obligation, promise, court order, administrative order or decree, law or regulation to which Seller is subject, including any agreement that prohibits the sale or pledge of Seller's Future Receipts.
- j. **Seller's Knowledge and Representation.** Seller represents, warrants, and agrees that it is a sophisticated business entity familiar with the kind of transaction covered by the Agreement; it was represented by counsel or had full opportunity to consult with counsel.
- k. Accurate and Complete Information. Seller represents, warrants, and agrees that all information provided to Buyer and all statements made to Buyer relating to this transaction in any way have been truthful, accurate, and complete. Seller further agrees that Seller will be truthful in all future statements to Buyer, and will provide Buyer with accurate and complete information regarding Seller's business as required by this Agreement.

14. Rights of Buyer.

Acknowledgment of Security Interest and Security Agreement. The Future Receipts sold by Seller to Buyer pursuant to this Agreement shall constitute and shall be construed and treated for all purposes as a true and complete sale, conveying good title to the Future Receipts free and clear of any liens and encumbrances, from Seller to Buyer. To the extent the Future Receipts are "accounts" or "payment intangibles" as those terms are defined in the Uniform Commercial Code as in effect in the state in which the Seller is located ("UCC") then: (i) the sale of the Future Receipts creates a security interest as defined in the UCC, (ii) this Agreement constitutes a "security agreement" under the UCC, and (iii) Buyer has all the rights of a secured party under the UCC with respect to such Future Receipts. Seller further agrees that, with or without a breach of this Agreement, Buyer may notify account debtors, or other persons obligated on the Future Receipts, or holding the Future Receipts, of Seller's sale of the Future Receipts and may instruct them to make payment or otherwise

render performance to or for the benefit of Buyer.

- b. **Financing Statements.** Seller authorizes Buyer to file one or more UCC-1 forms consistent with the UCC to give notice that the Purchased Amount of Future Receipts is the sole property of Buyer. The UCC filing may state that such sale is intended to be a sale and not an assignment for security and may state that the Seller is prohibited from obtaining any financing that impairs the value of the Future Receipts or Buyer's right to collect same. Seller authorizes Buyer to debit the Account for all costs incurred by Buyer associated with the filing, amendment or termination of any UCC filings.
- c. **Right of Access.** In order to ensure that Seller is complying with the terms of this Agreement, Buyer shall have the right to (i) enter during regular business hours, without notice, the premises of Seller's business for the purpose of inspecting and checking Seller's transaction processing terminals to ensure the terminals are properly programmed to submit and or batch Seller's daily receipts to the Processor and to ensure that Seller has not violated any other provision of this Agreement, (ii) Seller shall provide access to its employees and records and all other items as requested by Buyer; and (iii) have Seller provide information about its business operations, banking relationships, vendors, landlord and other information to allow Buyer to interview any relevant parties.
- d. **Phone Recordings and Contact.** Seller agrees that any call between Buyer and Seller, and their agents and employees may be recorded or monitored. Further, Seller agrees that (i) it has an established business relationship with Buyer, its employees and agents and that Seller may be contacted from time-to-time regarding this or other business transactions, (ii) that such communications and contacts are not unsolicited or inconvenient, and (iii) that any such contact may be made at any phone number, email address, or facsimile number given to Buyer by the Seller, its agents or employees, including cellular telephones.
- **ACH Authorization.** Seller represents and warrants that (i) the Account is solely owned by Seller; (ii) the person executing this Authorization on behalf of Seller is an authorized signer on the Account and has the power and authority to authorize Buyer to initiate ACH transactions to and from the Account, and (iii) the Account is a legitimate, open, and active bank account used solely for business purposes and not for personal, family or household purposes. If an ACH transaction is rejected by Seller's financial institution for any reason other than a stop payment order placed by Seller with its financial institution, including without limitation insufficient funds, Seller agrees that Buyer may resubmit up to two times any ACH transaction that is dishonored. Seller's bank may charge Seller fees for unsuccessful ACH entries. Seller agrees that Buyer will have no liability to Seller for such fees. In the event Buyer makes an error in processing any payment or credit, Seller authorizes Buyer to initiate ACH entries to or from the Account to correct the error. Seller acknowledges that the origination of ACH entries to and from the Account must comply with applicable law and applicable network rules. Seller agrees to be bound by the Rules and Operating Guidelines of NACHA (formerly known as the National Automated Clearing House Association). Seller will not dispute any ACH transaction initiated pursuant to this Authorization, provided the transaction corresponds to the terms of

this Authorization. Seller requests the financial institution that holds the Account to honor all ACH entries initiated in accordance with this Authorization.

- 15. Remedies for Seller's Breach of this Agreement. If Seller violates any term or covenant in this Agreement, Buyer may proceed to protect and enforce its rights including, but not limited to, the following:
- The Specified Percentage shall equal 100%. The full undelivered Purchased Amount plus all fees and charges (including legal fees) assessed under this Agreement will become due and payable in full immediately.
- Buyer may enforce the provisions of the Personal Guaranty of Performance against each Owner.
- Seller shall pay to Buyer all reasonable costs associated with Seller's breach. Buyer may proceed to protect and enforce its rights and remedies by arbitration or lawsuit. In any such arbitration or lawsuit, under which Buyer shall recover Judgment against Seller, Seller shall be liable for all of Buyer's costs, including but not limited to all reasonable attorneys' fees and court costs. However, the rights of Buyer under this provision shall be limited as provided in the arbitration provision set forth below.
- Buyer may debit depository accounts wherever situated by means of ACH debit or facsimile signature on a computer-generated check drawn on any of Seller's banking accounts for all sums due to Buyer.
- Subject to arbitration as provided in Section 30 of this Agreement, all rights, powers and remedies of Buyer in connection with this Agreement may be exercised at any time by Buyer after the occurrence of breach, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.
- 16. Modifications, Amendments. No modification, amendment, waiver or consent of any provision of this Agreement shall be effective unless the same is in writing and signed by Buyer.
- **17.** Assignment. Buyer may assign, transfer or sell its rights to receive the Purchased Amount or delegate its duties hereunder, either in whole or in part, with or without prior written notice to Seller.
- 18. Personal Guaranty of Performance. Guarantor agrees to irrevocably, absolutely and unconditionally guarantee to Buyer prompt and complete performance of the following obligations of Seller (the "Guaranteed Obligations"):
- Seller's obligation to not (i) change the Account, (ii) add an additional Account, (iii) revoke Buyer's authorization to debit the Account, (iv) close the Account without the express written consent of Buyer or (v) take any other action with the intent to interfere with Buyer's right to collect the purchased Future Receipts;

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- Seller's obligation to not conduct Seller's businesses under any name other than as disclosed to Buyer;
- Seller's obligation to not change any of its places of business without prior written consent by Buyer;
- Seller's obligation to not voluntarily sell, dispose, transfer or otherwise convey its business or substantially all business assets without (i) the express prior written consent of Buyer, and (ii) the written agreement of any purchaser or transferee assuming all of Seller's obligations under this Agreement pursuant to documentation satisfactory to Buyer;
- Seller's obligation to not enter into any merchant cash advance or any loan agreement that relates to or encumbers its Future Receipts with any party other than Buyer for the duration of this Agreement without Buyer's prior written consent; and
- Seller's obligation to provide truthful, accurate, and complete information as required by this Agreement.
- 19. Guarantor Waivers. Buyer does not have to notify Guarantor of any of the following events and Guarantor will not be released from its obligations under the Agreement and this Personal Guaranty of Performance if it is not notified of: (i) Seller's failure to timely perform any obligation under the Agreement, (ii) any adverse change in Seller 's financial condition or business, (iii) Buyer's acceptance of the Agreement, and (iv) any renewal, extension or other modification of the Agreement or Seller 's other obligations to Buyer. In addition, Buyer may take any of the following actions without releasing Guarantor from any of its obligations under the Agreement and this Performance Guaranty: (i) renew, extend or otherwise modify the Agreement or Seller's other obligations to Buyer, and (ii) release Seller from its obligations to Buyer. Guarantor shall not seek reimbursement from Seller or any other guarantor for any amounts paid by it under the Agreement or this Performance Guaranty. Guarantor permanently waives and shall not seek to exercise any of the following rights that it may have against Seller, or any other guarantor, for any amounts paid by it, or acts performed by it, under the Agreement or this Performance Guaranty: (i) subrogation, (ii) reimbursement, (iii) performance, (iv) indemnification, or (v) contribution.
- 20. **Guarantor Acknowledgement**. Guarantor acknowledges that Guarantor understands the seriousness of the provisions of the Agreement, including the Jury Waiver, Class Action Waiver and Arbitration sections, and has had a full opportunity to consult with counsel their choice, and have consulted with counsel or have decided not to avail themselves of that opportunity.

21. Notices.

Notices from Buyer. Buyer may send any notices, disclosures, terms and conditions, other documents, and any future changes to Seller by regular mail or by e-mail, at Buyer's option and Seller consents to such electronic delivery. Notices sent by e-mail are effective when sent. Notices sent by regular mail become effective three days after mailing to Seller's address set forth in this Agreement.

- b. Notices from Seller and Guarantor. Subject to Section 4 of this Agreement, Seller and Guarantor may send any notices to Buyer by e-mail only upon the prior written consent of Buyer, which consent may be withheld or revoked at any time in Buyer's sole discretion. Otherwise, any notices or other communications from Seller and Guarantor to Buyer must be delivered by certified mail, return receipt requested, to Buyer's address set forth in this Agreement. Notices sent to Buyer shall become effective only upon receipt by Buyer.
- 22. Binding Effect, Governing Law, Venue and Jurisdiction. This Agreement shall be binding upon and inure to the benefit of Seller, Buyer, Guarantor and their respective successors and assigns, except that Seller shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Buyer which consent may be withheld in Buyer's sole discretion. Except as set forth in the Arbitration section, this Agreement shall be governed by and construed in accordance with the laws of the state of New York, without regard to any applicable principles of conflicts of law. Seller and Guarantor understand and agrees that (i) Buyer is located in New York, (ii) Buyer makes all decisions from Buyer's office in New York, (iii) the Agreement is made in New York (that is, no binding contract will be formed until Buyer receives and accepts Seller's signed Agreement in New York), and (iv) Seller's payments are not accepted until received by Buyer in New York. Any suit, action or proceeding arising hereunder, or the interpretation, performance or breach of this Agreement, shall, if Buyer so elects, be instituted in any court sitting in New York, (the "Acceptable Forums"). Seller and Guarantor agree that the Acceptable Forums are convenient to it, and submit to the jurisdiction of the Acceptable Forums and waives any and all objections to jurisdiction or venue. Should such proceeding be initiated in any other forum, Seller and Guarantor waive any right to oppose any motion or application made by Buyer to transfer such proceeding to an Acceptable Forum. Buyer, Seller and Guarantor further agree that the mailing by certified or registered mail, return receipt requested, or by email to of any process required by any such court will constitute valid and lawful service of process against them, without the necessity for service by any other means provided by statute or rule of court, but without invalidating service performed in accordance with such other provisions.
- 23. Survival of Representations, Warranties and Covenants. All representations, warranties and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been satisfied in full.
- 24. Interpretation. All parties hereto have had the opportunity to review this Agreement with an attorney of their own choosing and have relied only on their own attorney's guidance and advice or have been provided sufficient opportunity to have an attorney of their choosing review the Agreement. No construction determinations shall be made against either Party hereto as drafter.
- **25. Entire Agreement and Severability.** This Agreement embodies the entire agreement between Seller and Buyer and supersedes all prior agreements and understandings relating to the subject matter hereof. In case any of the provisions in this Agreement is found to be invalid, illegal or unenforceable in any respect, the

- validity, legality and enforceability of any other provision contained herein shall not in any way be affected or impaired.
- 26. **Execution.** Facsimile signatures, or any other electronic means reflecting the party's signature hereto, shall be deemed acceptable for all purposes. The parties agree that if a duly authorized representative of each of the parties signs this Agreement and transmits such Agreement to the other party via facsimile or electronically transmitted portable document format, such transmission shall be treated in all manner and respects as an original signature (or counterpart thereof) and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of a party hereto, each other party hereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto shall raise the use of a facsimile machine or electronic transmission in portable document format to deliver a signature or the fact that any signature was transmitted or communicated through the use of facsimile machine or electronic transmission in portable document format as a defense to this Agreement and each such party forever waives any such defense. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same agreement.

27. Monitoring, Recording, and Solicitations.

- a. **Authorization to Contact by Phone.** Seller and Guarantor authorize Buyer, its affiliates, agents and independent contractors to contact Seller or Guarantor at any telephone number Seller or Guarantor provide to Buyer or from which Seller or Guarantor places a call to Buyer, or any telephone number where Buyer believes it may reach Seller or Guarantor, using any means of communication, including but not limited to calls or text messages to mobile, cellular, wireless or similar devices or calls or text messages using an automated telephone dialing system and/or artificial voices or prerecorded messages, even if Seller or Guarantor incurs charges for receiving such communications.
- b. Authorization to Contact by Other Means. Seller and Guarantor also agree that Buyer, its affiliates, agents and independent contractors, may use any other medium not prohibited by law including, but not limited to, mail, e-mail and facsimile, to contact Seller and Guarantor. Seller and Guarantor expressly consent to conduct business by electronic means.
- 28. JURY WAIVER. THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTIONS OF WHICH THIS AGREEMENT IS A PART OR ITS ENFORCEMENT, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. THE PARTIES ACKNOWLEDGE THAT EACH PARTY MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS, AND ACKNOWLEDGE THEIR RIGHT TO REVIEW THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.
- 29. <u>CLASS ACTION WAIVER</u>. BUYER, SELLER, AND EACH GUARANTOR ACKNOWLEDGE AND AGREE THAT THE AMOUNT AT

ISSUE IN THIS TRANSACTION AND ANY DISPUTES THAT ARISE BETWEEN THEM ARE LARGE ENOUGH TO JUSTIFY DISPUTE RESOLUTION ON AN INDIVIDUAL BASIS. EACH PARTY HERETO WAIVES ANY RIGHT TO ASSERT ANY CLAIMS AGAINST THE OTHER PARTIES AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION. EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR A COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES AGREE THAT: (I) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOT WITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT), AND (II) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

30. ARBITRATION. IF BUYER, SELLER OR ANY GUARANTOR REQUESTS, THE OTHER PARTIES AGREE TO ARBITRATE ALL DISPUTES AND CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT. IF BUYER, SELLER OR ANY GUARANTOR SEEKS TO HAVE A DISPUTE SETTLED BY ARBITRATION, THAT PARTY MUST FIRST SEND TO ALL OTHER PARTIES, BY CERTIFIED MAIL, A WRITTEN NOTICE OF INTENT TO ARBITRATE. IF BUYER, SELLER OR ANY GUARANTOR DO NOT REACH AN AGREEMENT TO RESOLVE THE CLAIM WITHIN 30 DAYS AFTER THE NOTICE IS RECEIVED, BUYER, SELLER OR ANY GUARANTOR MAY COMMENCE AN ARBITRATION PROCEEDING WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") OR THE BUYER WILL PROMPTLY REIMBURSE SELLER OR GUARANTOR FOR ANY ARBITRATION FILING FEE, HOWEVER, IN THE EVENT THAT BOTH SELLER AND GUARANTOR MUST PAY FILING FEES, BUYER WILL ONLY REIMBURSE SELLER'S ARBITRATION FILING FEE AND, EXCEPT AS PROVIDED IN THE NEXT SENTENCE, BUYER WILL PAY ALL ADMINISTRATION AND ARBITRATOR FEES. IF THE ARBITRATOR FINDS THAT EITHER THE SUBSTANCE OF THE CLAIM RAISED BY SELLER OR GUARANTOR OR THE RELIEF SOUGHT BY SELLER OR

Acknowledged by:

GUARANTOR IS IMPROPER OR NOT WARRANTED, AS MEASURED BY THE STANDARDS SET FORTH IN FEDERAL RULE OF PROCEDURE 11(B), THEN BUYER WILL PAY THESE FEES ONLY IF REQUIRED BY THE AAA OR FORUM RULES. SELLER AND GUARANTOR AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THEY ARE WAIVING THE RIGHT TO TRIAL BY JURY. BUYER. SELLER OR ANY GUARANTOR MAY BRING CLAIMS AGAINST ANY OTHER PARTY ONLY IN THEIR INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. FURTHER. BUYER, SELLER AND ANY GUARANTOR AGREE THAT THE ARBITRATOR MAY NOT CONSOLIDATE PROCEEDINGS FOR MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. AND THAT IF THIS SPECIFIC PROVISION DEALING WITH THE PROHIBITION ON CONSOLIDATED, CLASS OR AGGREGATED CLAIMS IS FOUND UNENFORCEABLE, THEN THE ENTIRETY OF THIS ARBITRATION CLAUSE SHALL BE NULL AND VOID. THIS AGREEMENT TO ARBITRATE IS GOVERNED BY THE FEDERAL ARBITRATION ACT AND NOT BY ANY STATE LAW REGULATING THE ARBITRATION OF DISPUTES. THIS AGREEMENT IS FINAL AND BINDING EXCEPT TO THE EXTENT THAT AN APPEAL MAY BE MADE UNDER THE FAA. ANY ARBITRATION DECISION RENDERED PURSUANT TO THIS ARBITRATION AGREEMENT MAY BE ENFORCED IN ANY COURT WITH JURISDICTION. THE TERMS "DISPUTES" AND "CLAIMS" SHALL HAVE THE BROADEST POSSIBLE MEANING.

31. RIGHT TO OPT OUT OF ARBITRATION. SELLER AND GUARANTOR(S) MAY OPT OUT OF THE ARBITRATION PROVISION ABOVE. TO OPT OUT OF THE ARBITRATION CLAUSE, SELLER AND EACH GUARANTOR MUST SEND BUYER A NOTICE THAT THE SELLER AND EACH GUARANTOR DOES NOT WANT THE CLAUSE TO APPLY TO THIS AGREEMENT. FOR ANY OPT OUT TO BE EFFECTIVE, SELLER AND EACH GUARANTOR MUST SEND AN OPT OUT NOTICE TO THE FOLLOWING ADDRESS BY REGISTERED MAIL, WITHIN 14 DAYS AFTER THE DATE OF THIS AGREEMENT: DYNASTY CAPITAL 26, LLC, 96-14 METROPOLITAN AVE, FOREST HILLS, NY 11375, ATTENTION: ARIBITRATION OPT-OUT.

AGREED ON PAGE 1 OF THIS AGREEMENT.

Guarantor #1: Name: TIMOTHY GLEN SHAW	Initials;
Guarantor #2: Name:	Initials;

APPENDIX A - LIST OF FEES AND CHARGES



The Agreement provides that Seller shall be liable for the following amounts, in addition to the Purchased Amount of Future Receipts:

- A. Origination Fee as set forth on Page 1 of the Agreement.
- B. The Wire Fee as set forth on Page 1 of the Agreement.
- C. All costs Buyer incurs because Seller fails to notify Buyer in a timely manner that the Initial Periodic Amount if any subsequent Periodic Amount will not be available in the Account.
- D. All costs incurred by Buyer associated with the filing, amendment or termination of any UCC filings.
- E. CRM Login Fee: \$99 per month
- F. If Seller breaches the Agreement, all costs of collections, including attorney fees and all costs related to the enforcement of any other remedies available to Buyer.
- G. In addition to the remedies that are afforded to Buyer as set forth in Section 15 of the Agreement, upon the occurrence of an event of default, Buyer shall be entitled to a Default Fee in the lesser of \$5,000 or 20% of the remaining balance of the Purchased Amount of Future Receipts, whichever is greater.
- H. ACH Program fee: \$299.00 per month for the duration of the Agreement.
- I. NSF Fee (Standard) \$50.00 (each)

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Guarantor #1: Name: TIMOTHY GLEN SHAW	initials; <u> </u>
Guarantor #2: Name:	Initials [.]



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AUTHORIZATION AGREEMENT FOR AUTOMATED CLEARING HOUSE TRANSACTIONS

DYNASTY CAPITAL Let's Build a Dynasty					
authorizes Dynasty Capita automated clearing house to Buyer from Seller unde into between Seller and B Buyer to initiate additionathe Agreement, Seller aut the same Federal Tax Ide	SHA Il 26, LLC, address at 96-14 e (ACH) debits to the follow r the terms of that Purchas uyer, as it may be amended al entries (debits and credit horizes Buyer to debit any ntification Number as Selle m Seller under the terms of	METROPOLITAN AVE, ring checking account i e and Sale of Future Rel, supplemented or repts) to correct any error and all accounts contract up to the total amounts.	FOREST HILLS, N n the amount of f eceipts Agreemen placed from time to neous transfers. I colled by Seller or	Y 11375 ("Buyer") to pres fees and other payments of it (the "Agreement") ente o time. Seller also authori In addition, if Seller breac controlled by any entity v	ent due red izes hes vith
designated account is estated account is estated and/or to verify any information of control of the control of	d by the Rules and Operablished and used primarily er authorizes Buyer to continuation Seller has provided information. Seller understate a breach of the Agreement, or the designated che authorizes Buyer to continumber and available balatution, and to initiate ACH Seller grants Buyer a limite	r for commercial/busing act Seller's financial in about the designated tands and agrees that a ent for the Sale of Futuecking account has instact Seller's financial in ance) concerning any of transactions under the	ness purposes, and istitution to obtain I checking account any revocation or ure Receipts. In the ufficient funds for institution and old other deposit accounts Authorization to	d not for consumer, family navailable funds informat t and to correct any missivattempted revocation of the event that Seller closes or any ACH transaction unbtain information (includiount(s) maintained by Second additional account	y or ing, this the der ling eller
Transfer Funds To/From	Name of Bank:				
	ABA Transit/Routing #:				
	Checking Account #:				
This authorization is to re to Buyer under the Agree	main in full force and effec ment.	ct until Buyer has recei	ived all amounts o	due or that may become o	auk
Seller Information: Selle	er's Name: SHAW ALMEX I	FUSION LLC			
SIGNITURE Sign	ature of Authorized Repres	entative: Timothy Gun Sl	haw	Date: 09/30/2024	
Prin	: Name: <u>TIMOTHY GLEN S</u>	SHAW			
Title	: OWNER				

Seller's Tax ID: <u>73-1735654</u>

ADDENDUM TO FUTURE RECEIVABLES SALE AND PURCHASE AGREEMENT

This is an Addendum dated 09/30/2024 to the Standard Secured Merchant Agreement ("Agreement") dated 09/30/2024 between DYNASTY CAPITAL GROUP 26 LLC (DC26) and SHAW ALMEX FUSION LLC

- 1. UCC will be filed in the event of a default
- 2. UCC Financing statements will on be filed in the event of default
- 3. Right to access in the even of a default
- 4. Only in the event of a default, To the extent necessary, Seller grants Buyer a limited Power of Attorney to take action in Seller's name to facilitate collections in Seller's behalf which may require UCC-1 filings against debtors to the Seller.

DC26 will provide an Early Payoff discount if certain terms are met, the terms are as Follows

- Merchant doesn't take any additional fundings
- Merchant wires the payoff directly to DC26
- Merchant doesn't miss any payments

DC26 will provide a discount of14% if Merchant pays off within 30 days and 9% if Merchant pays off within 60 days

Date	9/30/2024
Signer_	Timothy Glen Shaw
Signatı	ire Timothy Qun Shaw

THIS IS **EXHIBIT "Y"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann



Arsenal Funding c/o PCP Management Corp. 15 West 36th Street, 11th Floor, New York, NY 10018

Date: 2024-09-27

RE: SHAW ALMEX FUSION LLC

Contract #: 0000000216

Future Receipts Sale and Purchase Agreement Requirements:

- Sign and initial this agreement.
- Please review and verify your bank account information where indicated, or if it is missing, please contact us as soon as possible.

Please fill in the below:

Seller contact information:

Name: TIMOTHY GLEN SHAW

Email: tim.shaw@almex.com

Preferred phone number: 9175437799



SALES-BASED FINANCING DISCLOSURE FORM

Total Amount of the Sales-Based Financing	\$250,000.00	Disclosure Date: 2024-09-27	
Fees Deducted or Withheld at Disbursement	\$12,500.00	Recipient's Name: TIMOTHY GLEN SHAW	
Disbursement Amount [Total Amount of the Sales-Based Financing minus(-)Fees Deducted or Withheld at Disbursement]	\$237,500.00	Recipient's Address: 491 SECOND ROAD, STONEY CREEK, Ontario LBJ 2X9 Provider's Name:	
Finance Charge	\$105,000.00	Prosperum Capital Partners LLC Provider's Address:	
Total Repayment Amount [Disbursement Amount plus(+)Finance Charge]	\$342,500.00	15 West 36th Street, 11th Floor, New York, NY 10018	
Estimated Number of Payments [Number of payments expected, based on the	26 (Weekly)	Provider's Phone Number: (888) 608-5790	
projected sales volume, to equal the Total Repayment Amount]		Provider's Email Address: customer.service@arsenalfunding.com	
A reasonable range may be provided ONLY for transactions with a variable payment schedule.			
Payment Schedule		•	
✓ Amount of each fixed payment: \$13, ☐ Frequency of fixed payments: ☐ Variable payment schedule, or ☐ Description		nount and frequency of each variable payment:	
Method of payment: Payment shall be do	ejected by ACH	☑ SEE PAGE 2	
Description of All Other Potential Fees and Charges NOT Included in the Finance Charge		☑ SEE PAGE 2	
Description of Secured Receipts Requirements or Security			
Interests		☑ SEE PAGE 2	
Broker Compensation	Is provider paying compensation directly to a broker? ☑ Yes ☐ No	If Yes, amount of compensation being paid directly to broker: \$15,000.00	
Description of Prepayment PoliciesPurchaser does not provide a discount for prepayment Financed.		repayment or refinance of the Total Amount □ SEE PAGE 2	

Financed.

I acknowledge that I have received a copy of this disclosure form.

O9/27/2024 20:44 UTC

Signature

Date



SALES-BASED FINANCING DISCLOSURE FORM - PAGE 2 $\,$

TIMOTHY GLEN SHAW 2024	** = '	
±	ider's Name: perum Capital Partners LLC	
The information provided below relates to the following checked ☐ Variable payment schedule ☐ Description of the method used to calculate the amount and frequency of ☐ Method of payment ☑ Description of all other potential fees and charges not included in the fina ☑ Description of Secured Receipts requirements or security interests ☐ Description of prepayment policies	each variable payment	
Administration/Origination Fee: This is the fee paid by the MERCHANT for and the costs of underwriting this Agreement, including but not limited to administrative costs; no more than ten percent (10%) of the Purchase Printing Fee: \$35.00-For same day wire transfer. Default Fee: \$2,500.00 — Applied if the MERCHANT/GUARANTOR characteristic collections to another account, preventing Purchaser from receiving payment UCC Fee: \$195.00 — Includes the initial filing, and removal of the UCC-1 specified by Purchaser.	to fees for credit reports, site inspection fees, and other ice. This expense is charged at the time of funding. anges the bank account or intentionally diverts receivables atts.	
Merchant grants to Purchaser a security interest in and lien upon: (a) all accounts receivables, accounts, chattel paper, documents, equipment, general intangibles, instruments, and inventory, as those terms are defined in Article 9 of the Uniform Commercial Code (the "UCC"), now or hereafter owned or acquired by Merchant up to the value of the Sold Amount of Future Receipts, (b) all proceeds up to the value of the Sold Amount of Future Receipts, as that term is defined in Article 9 of the UCC (c) all funds at any time in the Merchant's Account, regardless of the source of such funds, up to the value of the Sold Amount of Future Receipts, (d) present and future Electronic Check Transactions, and (e) any amount which may be due to Purchaser under this Agreement, including but not limited to all rights to receive any payments or credits under this Agreement up to the value of the Sold Amount of Future Receipts (collectively, the "Secured Assets"). Merchant agrees to provide other security to Purchaser upon request to secure Merchant's obligations under this Agreement. Merchant agrees that, if at any time there are insufficient funds in Merchant's Account to cover Purchaser's entitlements under this Agreement, Purchaser is granted a further security interest in all of Merchant's assets of any kind whatsoever, and such assets shall then become Secured Assets. These security interests and liens will secure all of Purchaser's entitlements under this Agreement this Agreement and any other agreements now existing or later entered into between Merchant, Purchaser or affiliate of Purchaser. Purchaser is authorized to execute and file any and all notices or filings it deems necessary or appropriate to enforce its entitlements hereunder. For additional details see Rider 4.		
I acknowledge that I have received a copy of this disclosure form.		
Signature Date	27/2024 20:44 UTC e	



Arsenal Funding

c/o PCP Management Corp. 15 West 36th Street, 11th Floor, New York, NY 10018

AGREEMENT OF SALE OF FUTURE RECEIPTS

This **AGREEMENT OF SALE OF FUTURE RECEIPTS** (this "Agreement") dated as of 2024-09-27, is made by and between **Prosperum Capital Partners LLC d/b/a/ Arsenal Funding**, a Delaware Limited Liability Company as purchaser ("Purchaser"), the seller whose name, address and other pertinent information is set forth below, as seller ("Seller") and the individual authorized representative of the Seller whose name, address and other pertinent information are set forth below ("Guarantor").

SELLER INFORMATION

Seller Legal Name: SHAW ALMEX FUSION LLC	DBA Name: SHAW ALMEX FUSION	
Entity Type: LLC	FEIN: 73-1735654	
State of Incorporation: Georgia	Bank Name: HSBC	
Address: 2933 MILLER ROAD, DECATUR, Georgia 30035	Phone:	

GUARANTOR INFORMATION

Name of Guarantor 1: TIMOTHY GLEN SHAW	Cell Phone: 9175437799	Social Security #: 471-76-7756
Home Address: 491 SECOND ROAD	City/State: STONEY CREEK, Ontario	Zip Code: LBJ 2X9
Ownership %: 100.00	Email: tim.shaw@almex.com	
Name of Guarantor 2:	Cell Phone:	Social Security #:
Home Address:	City/State:	Zip Code:
Ownership %:	Email:	

Background

WHEREAS, Seller is an entity engaged in the business that it currently conducts and is willing to sell to Purchaser a certain portion of Seller's future receipts (such portion, the "Sold Future Receipts"); and

WHEREAS, Purchaser is an entity engaged in the business of purchasing future receipts and is willing to purchase from Seller the Sold Future Receipts; and

WHEREAS, Guarantor is an individual who, as a Guarantor, officer or manager of Seller, will derive substantial benefit from Seller selling the Sold Future Receipts to Purchaser and who is willing to guaranty to Purchaser Seller's performance in accordance with the provisions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the mutual receipt of which and sufficiency is hereby acknowledged, the parties to this Agreement agree to the foregoing and as follows.

KEY BUSINESS TERMS AND DEFINITIONS:

Sold Amount of Future Receipts	\$342,500.00	The dollar value of the Sold Future Receipts that Seller Agrees to Sell to Purchaser.
Purchase Price	\$250,000.00	The total amount that Purchaser agrees to pay for the Sold Amount of Future Receipts.

Estimated Average Monthly Future Receipts	\$1,196,394.39	The average monthly Future Receipts Purchaser estimates Seller will achieve going forward based upon Seller's past average monthly Receipts set forth in the information and documents provided by Seller to Purchaser as part of the underwriting process. By initialing this paragraph, Seller represents and warrants to Purchaser that 1) Seller has reviewed this paragraph including but not limited to the Estimated Average Monthly Future Receipts set forth in this paragraph; 2) Seller agrees with the Estimated Average Monthly Future Receipts set forth in this paragraph which are true and accurate; and 3) the information and documents provided to Purchaser by Seller in order to determine the Estimated Average Monthly Future Receipts set forth in this paragraph were true, accurate and complete. Initials:	
Estimated Average Daily Future Receipts	\$56,971.16	The Estimated Average Monthly Future Receipts divided by 21 (the average number of bank days in a month as agreed to between Purchaser and Seller). By initialing this paragraph, Seller represents and warrants to Purchaser that 1) Seller has reviewed this paragraph including but not limited to the Estimated Average Daily Future Receipts set forth in this paragraph; 2) Seller agrees with the Estimated Average Daily Future Receipts set forth in this paragraph which are true and accurate; and 3) the information and documents provided to Purchaser by Seller in order to determine the Estimated Average Daily Future Receipts set forth in this paragraph were true, accurate and complete. Initials:	
Direct Payments to Third Parties/Renewals	\$0.00	The amount deducted by Purchaser or paid to 3 rd Parties to satisfy other Seller obligations.	
Total Amount Sent to Seller	\$237,500.00	The amount actually provided to Seller net of Origination Fees, Funding Fees, UCC Fees and Direct Payments to 3rd Parties.	
Specified Percentage of Future Receipts	5.01%	An agreed upon percentage of the Sold Future Receipts that Seller shall deliver to Purchaser until the entire amount of the Sold Amount of Future Receipts is delivered to Purchaser in accordance with this Agreement.	
		Initials: $\mathcal{T}GS$	
Discount Factor	1.37	The risk adjustment to the Amount Sold that determines the Futures Receipts Discount.	
Periodic Delivery	\$13,173.08	A dollar amount that Seller and Purchaser agree to be a good faith approximation of the Specified Percentage of Daily Future Receipts, or, as the case may be, Weekly Future Receipts, as of the date of this Agreement, based upon the Estimated Average Daily Future Receipts.	
		By initialing this paragraph, Seller represents and warrants to Purchaser that 1) Seller has reviewed this paragraph including but not limited to the Specified Percentage of Daily Future Receipts, or, as the case may be, Weekly Future Receipts, set forth in this paragraph; 2) Seller agrees with the Specified Percentage of Daily Future Receipts, or, as the case may be, Weekly Future Receipts, set forth in this paragraph which is true and accurate; and 3) the information and documents provided to Purchaser by Seller in order to determine the Specified Percentage of Daily Future Receipts, or, as the case may be, Weekly Future Receipts, set forth in this paragraph were true, accurate and complete. Initials:	
Origination Fee	\$12,500.00	The amount Purchaser will withhold from the Purchase Price which represents the costs of the Purchaser in performing its analysis for this Agreement and administering this file.	
Business Day		Monday through Friday except the days when the banking institutions in the state where the Seller's business is located are closed for holidays and do not process ACH transfers.	

I. SALE OF FUTURE RECEIPTS; PAYMENT OF PURCHASE PRICE.

Initials: TGS

1. Sale of Future Receipts. Seller hereby sells, assigns, transfers and conveys (hereinafter, the "Sale") unto Purchaser all of Seller's right, title and interest in the Specified Percentage of the Future Receipts until the Sold Amount of Future Receipts is delivered by Seller to Purchaser; to have and hold the same unto Purchaser, its successors and assigns, forever. This Sale of the Sold Future Receipts is made without express or implied warranty to Purchaser of collectability of the Sold Future Receipts by Purchaser and without recourse against Seller except as specifically set forth in this Agreement. By virtue of this Agreement, Seller transfers to Purchaser full and complete ownership of the Sold Future Receipts and Seller retains no legal or equitable interest therein

2. Payment of Purchase Price.

- a. In consideration of the transfer by Seller to Purchaser of the Sold Future Receipts, Purchaser agrees to pay to Seller the Purchase Price; subject to the immediately following subsection (b) and the satisfactory completion of Purchaser's due diligence (in its sole discretion), the Purchase Price shall be turned over and delivered to Seller immediately after the date of this Agreement.
- b. IF AS OF THE DATE PURCHASER IS DUE TO PAY THE PURCHASE PRICE TO SELLER, SELLER HAS AN OBLIGATION TO DELIVER TO PURCHASER A CERTAIN AMOUNT OF SOLD FUTURE RECEIPTS UNRELATED TO THIS AGREEMENT OR CERTAIN SUMS PURSUANT TO THIS AGREEMENT INCLUDING WITHOUT LIMITATION ANY AND ALL ORIGINATION FEES (THE SUM OF ALL SUCH PRIOR OBLIGATIONS OF SELLER TO PURCHASER, THE "PRIOR FUTURE RECEIPTS") SELLER HEREBY GRANTS PURCHASER THE RIGHT TO WITHHOLD FROM THE PURCHASE PRICE TO BE DELIVERED TO SELLER PURSUANT TO SUBPARAGRAPH (A) ABOVE, THE AMOUNT OF THE PRIOR FUTURE RECEIPTS IN FULL SATISFACTION THEREOF. FURTHERMORE, SELLER AGREES THAT DELIVERY TO THE SELLER OF THE PURCHASER'S BREACH OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND SUCH REDUCTION SHALL NOT IN ANY WAY OR FORM MODIFY OR REDUCE SELLER'S OBLIGATIONS UNDER THIS AGREEMENT.
- c. In the event the amount of the Purchase Price is reduced by the amount of Prior Future Receipts, any and all references in this Agreement to the Purchase Price shall mean "the Purchase Price as reduced by the Prior Future Receipts, if any."

II. DELIVERY OF SOLD AMOUNT OF FUTURE RECEIPTS.

- 3. Periodic Deliveries. The Sold Amount of Future Receipts shall be delivered to Purchaser in amounts as set forth in this Agreement (the "Periodic Delivery"). The Periodic Delivery shall be made on Business Days for Daily Future Receipts, or once per week for Weekly Future Receipts, starting on the Commencement Date, which is the date on which the Purchaser sets forth that Periodic Deliveries are scheduled to begin. It should be noted that the Commencement Date shall be established by the Purchaser and shall be no later than 1 day following the date on which the Purchase Price (less the Origination Fees) is sent to the Seller. The amount of the Periodic Delivery is subject to Seller's right for adjustment and/or reconciliation set forth in this Agreement. The last Periodic Delivery shall be made when the Sold Amount of Future Receipts and other amounts due to Purchaser under this Agreement (if any) are delivered to Purchaser in full.
- 4. Method of Delivery of Sold Amount of Future Receipts. Seller shall deliver the Periodic Delivery to Purchaser Directly from the Seller's Approved Bank Account (as such term is defined below) by debiting the amount of Periodic Delivery via ACH debit ("Direct Debit"). Purchaser shall have the right, in its sole and absolute discretion, upon written notice to Seller, to require the Seller to deliver the Periodic Delivery in a method other than Direct Debit, including but not limited to Seller wiring funds to Purchaser, remittance from Approved Credit Card Processor to Purchaser, payment by Seller to Purchaser via Zelle or other similar services, or lockbox.
- 5. Approved Bank Account and Credit Card Processor. During the course of this Agreement, Seller shall: (i) deposit all Future Receipts into one (and only one) bank account which bank account shall be preapproved by Purchaser (the "Approved Bank Account"), (ii) use one (and only one) credit card processor which processor shall be preapproved by Purchaser (the "Approved Credit Card Processor"), and (iii) deposit all credit card receipts into the Approved Bank Account. In the event the Approved Bank Account or Approved Credit Card Processor shall become unavailable or shall cease providing services to Seller during the course of this Agreement, prior to the first date of such unavailability or cessation of services, Seller shall arrange for another Approved Bank Account or Approved Credit Card Processor, as the case may be.

6. Authorization of Direct Debit, Credit Card Split and Lockbox Arrangement.

- a. Seller hereby authorizes Purchaser to initiate Direct Debit by way of electronic checks or ACH debits from the Approved Bank Account in the amount of Daily Delivery each Business Day until Purchaser receives the full Sold Amount of Future Receipts; Seller shall provide Purchaser with all access code(s) for the Approved Bank Account.
- b. Seller hereby authorizes Purchaser to initiate Credit Card Split by making the necessary arrangement with the Approved Credit Card Processor for remittance of the Periodic Delivery each Business Day until the Purchaser receives the full Sold Amount of Future Receipts; Seller shall provide Purchaser with all access code(s) for the Approved Credit Card Processor.
- c. Seller hereby authorizes Purchaser to initiate a Lockbox Arrangement and to instruct Seller's Approved Credit Card Processor and Seller's invoiced customers/clients/vendees to deposit all sums due to Seller from each of those parties directly to the special bank account established in accordance with the Lockbox Arrangement; If required, Seller shall enter into a lockbox agreement with Purchaser and the banking institution chosen by Purchaser for the purpose of establishing such bank account.
- 7. Third Party Appointment and Authorization. By signing below, Seller acknowledges that the Purchaser may, at any time, at Purchaser's sole discretion, and without prior notice, appoint a third party, including but not limited to its wholly owned subsidiaries, including, without limitation, Secure Business Servicing (herein referred to as the "Servicing Agent") to perform any, or all, of the actions authorized by the ACH Authorization and the Agreement. Seller further agrees and acknowledges that Servicing Agent shall have all of the same rights, responsibilities, and authorizations granted to Purchaser by the ACH Authorization and the Agreement. For purposes of clarity, any Servicing Agent may perform any and all activities to service the Agreement, including the collection of Funds Arising from Future Receipts (as set forth above), as if it was the Purchaser.
- 8. Fees Associated with Debiting Approved Bank Account. It shall be Seller's exclusive responsibility to pay to its banking institution and/or Purchaser's banking institution directly (or to reimburse Purchaser, in case it is charged) all fees, charges and expenses incurred by either Seller or Purchaser due to rejected electronic checks or ACH debit attempts, overdrafts or rejections by Seller's banking institution of the transactions contemplated by this Agreement.
- 9. Read Only Access to the Approved Bank and Credit Card Accounts. Seller hereby agrees that during the term of this Agreement Purchaser shall have the right to perform ongoing read only electronic monitoring of transactions occurring in the Approved Bank Account and Seller's account with the

Initials: US

Approved Credit Card Processor (the "Approved Credit Card Account"). Seller agrees to provide Purchaser all required online access codes for the Approved Bank Account and the Approved Credit Card Account. If Purchaser's electronic (online) access to Seller's Approved Bank Account or the Approved Credit Card Account is disabled for any reason, Seller shall immediately and diligently undertake all steps required from it to restore Purchaser's access to both Approved Bank Account and Approved Credit Card Account. Seller's failure to comply with the provisions of this Section 9 shall constitute Seller's material breach of its obligations under this Agreement.

III. SELLER'S RIGHT FOR RECONCILIATION AND ADJUSTMENT.

10. Seller's Right for Reconciliation of Periodic Deliveries.

- a. At any time during the course of this Agreement, Seller shall have the right, at its sole and absolute discretion, but subject to the provisions of this Section 10 below, to request retroactive reconciliation of the Seller's actual receipts for one full calendar month immediately preceding the day when such request for reconciliation is received by Purchaser (each such calendar month, a "Reconciliation Month").
- b. Such reconciliation (the "Reconciliation") of Seller's receipts for a Reconciliation Month shall be performed by Purchaser within five (5) Business Days following its receipt of the Seller's request for reconciliation by either crediting or debiting the difference back to or from the Approved Bank Account so that the total amount debited by Purchaser from the Approved Bank Account during the Reconciliation Month at issue equals the Specific Percentage of the Future Receipts that Seller collected during the Reconciliation Month at issue.
- c. The parties acknowledge and agree that one or more Reconciliation procedures performed by Purchaser may reduce the actual Periodic Delivery amount during the Reconciliation Month in comparison to the one set forth in preamble of this Agreement, and, as the result of such reduction, the term of this Agreement is indefinite and unknowable at the time the parties enter into the Agreement.

11. Request for Reconciliation Procedure.

- a. Seller may initiate a Reconciliation of Seller's actual receipts during any Reconciliation Month by sending a request for reconciliation to Purchaser.
- b. Any such request for Reconciliation of the Seller's receipts for a specific Reconciliation Month shall be in writing, shall include a copy of Seller's bank statement and a credit card processing statement for the Reconciliation Month at issue, and shall be received by Purchaser via email customer.service@arsenalfunding.com within thirty (30) calendar days after the last day of the Reconciliation Month at issue (time being of the essence as to the last day of the period during which such demand for reconciliation shall be received by Purchaser).
- c. Seller shall have the right to request Reconciliation as many times during the term of this Agreement as it deems proper, and Purchaser shall comply with such request, provided that:
 - with such request, provided that:

 i. Each such request is made in accordance with the terms of this Section 11.
 - ii. If a request for Reconciliation is made after the expiration of the term of this Agreement and, as the result of such Reconciliation, the total amount actually debited by Purchaser from the Approved Bank Account will become less than the Sold Amount of Future Receipts, then and in such event the term of this Agreement shall automatically be extended until the time when the total amount actually debited from Approved Bank Account pursuant to this Agreement shall become equal to the Sold Amount of Future Receipts. In the event Seller will determine in good faith that the actual amount debited by Purchaser from the Approved Bank Account pursuant to this Agreement is greater than the Sold Amount of Future Receipts, then and in such event Seller shall have the right to request final Reconciliation within thirty (30) calendar days following the date of Seller's last remittance of Future Receipts (time being of the essence) and Purchaser shall honor such request within five (5) Business Days following the day of its receipt of such request. It shall be noted that if Purchaser receives funds that are in excess of the Sold Amount of Future Receipts or to which the Purchaser is otherwise not entitled, then the Purchaser shall be required to return those funds to the Seller without request by the Seller for reconciliation as set forth above.
- d. Nothing set forth in Sections 10 or 11 of this Agreement shall be deemed to provide Seller with the right to interfere with Purchaser's right and ability to debit the Approved Bank Account while the request for Reconciliation of Seller's receipts is pending or until the Sold Amount of Future Receipts is delivered to Purchaser in full.

12. Adjustment of Periodic Delivery.

- a. If any time during the course of this Agreement Seller will experience steady increase or decrease in its receipts, Seller shall have the right, at its sole and absolute discretion, but subject to the provisions of Section 13 below, to request modification ("Adjustment") of the amount of the Periodic Delivery that Seller is obligated to deliver to Purchaser in accordance with the provisions of Section 3 above. Such Adjustment shall become effective as of the date it is granted and the new adjusted amount of the Periodic Delivery (the "Adjusted Periodic Delivery") shall replace and supersede the amount of the Periodic Delivery set forth in the preamble of this Agreement.
- b. The Adjustment of the Periodic Delivery shall be performed by Purchaser within five (5) Business Days following its receipt of the Seller's request for Adjustment by modifying amounts that shall be debited from the Approved Bank Account until the Sold Amount of Future Receipts is delivered in full.
- c. The parties acknowledge and agree that one or more Adjustments performed pursuant to this Agreement may substantially extend the term of this Agreement and the period during which Purchaser will be debiting the Approved Bank Account.

13. Request for Adjustment Procedure.

- a. It shall be Seller's sole responsibility and the right to initiate the Adjustment by sending a request for Adjustment to Purchaser.
- b. A request for Adjustment (an "Adjustment Request") shall be in writing, shall include copies of: (i) Seller's three (3)most recent calendar months' statements of the Approved Bank Account and credit card processing statements immediately preceding the date of Purchaser's receipt of the Adjustment Request, and (ii) Seller's bank statements and credit card processing statements previously provided by Seller to Purchaser based upon which statements the amount of Periodic Delivery set forth in preamble to this Agreement (or the then current Adjusted Periodic Delivery, as the case may be) was determined, and shall be received by Purchaser by email at customer.service@arsenalfunding.com.
- c. Seller shall have the right to request Adjustment of the Periodic Delivery (or Adjusted Periodic Delivery, as the case may be) as many times during the term of this Agreement as it seems proper, and Purchaser shall comply with such request, provided that:
 - i. Each such request for Adjustment is made in accordance with the terms of this Section 13.
 - ii. A request for Adjustment shall not be made after the expiration of the term of this Agreement.
- d. In order to obtain an Adjustment of the Periodic Delivery, the documents provided by Seller to Purchaser shall illustrate a decrease in Seller's receipts.
- e. Nothing set forth in Sections 12 or 13 of this Agreement shall be deemed to provide Seller with the right to interfere with Purchaser's right and ability to debit the Approved Bank Account while the request for Adjustment is pending or until the Sold Amount of Future Receipts is delivered to Purchaser in full

14. Seller's Right to Accelerate Remittance of the Outstanding Portion of the Purchased Amount of Future Receipts ("Outstanding PAFR").

a. Notwithstanding anything to the contrary set forth in this Agreement, Seller shall have the right, at any time after receipt from Purchaser of the Purchase Price, and upon obtaining Purchaser's prior written consent, to accelerate delivery to Purchaser of the then undelivered portion of the Purchased Amount

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- of Future Receipts (such amount, the "Outstanding PAFR"). The delivery shall be governed by the following subparagraphs. b. The Outstanding PAFR can only be delivered in full and not partially.
- c. Seller shall request the right to accelerate the delivery of the Outstanding PAFR by notifying Purchaser to that effect, provided that such notice shall be in writing (an email delivery shall be deemed acceptable) and shall contain the information on the source(s) of the funds to be used for delivery of the Outstanding PAFR and on the approximate date of such delivery.
 d. Purchaser shall respond to Seller's request within three (3) Business Days from the date of its receipt by Purchaser.
 e. In its response to Seller's request, Purchaser shall indicate the exact amount of the Outstanding PAFR as of the date of its delivery by the Seller.

- f. As of the date agreed upon between Purchaser and Seller, Seller shall deliver to Purchaser the full amount of the Outstanding PAFR (such date, the "Accelerated Delivery Date").
- g. Under no circumstances shall Seller suspend or modify, or cause to be suspended or modified, the delivery to Purchaser of the Periodic Delivery prior to the delivery of the Outstanding PAFR to Purchaser.
- h. Upon delivery of the Outstanding PAFR to Purchaser in compliance with the provisions of this Section 14, Seller's obligations to Purchaser pursuant to this Agreement shall be deemed completed and fulfilled.

IV. RISK SHARING ACKNOWLEDGMENTS AND AGREEMENTS.

15. Both Seller and Purchaser Acknowledge and Agree that:

- a. The Sold Amount of Future Receipts represents a portion of Seller's Future Receipts.
- b. This Agreement consummates the sale of the Sold Amount of Future Receipts at a discount, not borrowing funds by Seller from Purchaser. Purchaser does not charge Seller and will not collect from Seller any interest on the monies spent on the purchase of the Sold Amount of Future Receipts. The period of time that it will take Purchaser to collect the Sold Amount of Future Receipts is not fixed, is unknown to both parties as of the date of this Agreement and will depend on how well or not well Seller's business will be performing following the date hereof. As an extreme example, in the event Seller's business ceases to exist after Purchaser's payment of the Purchase Price and purchase of the Sold Amount of Future Receipts for reason outside Seller's control, Purchaser may never recover any moneys spent on such purchase.
- c. The amount of the Periodic Delivery set forth in preamble to this Agreement is calculated based upon the information concerning an average amount of receipts collected by Seller's business immediately prior to the date of this Agreement which information was provided by Seller to Purchaser.
- d. The amounts of Seller's future receipts may increase or decrease over time.
- e. If, based upon the Reconciliation and/or the Adjustment procedures described above, it will be determined that the actual amounts of the Specified Percentage of the Future Receipts is reduced in comparison to the amount of the Periodic Delivery as of the date of this Agreement set forth in the preamble of this Agreement, and in comparison to the amount that both Seller and Purchaser may have anticipated or projected because Seller's business has slowed down, or if the full Sold Amount of Future Receipts is not remitted because Seller's business went bankrupt or otherwise ceased operations in the ordinary course of business(but not due to Seller's willful mishandling of its business), and Seller shall have not breached this Agreement, Seller would not owe anything to Purchaser and would not be in breach of or in default under this Agreement.
- 16. Purchaser's Risk Acknowledgments. Purchaser agrees to purchase the Sold Amount of Future Receipts knowing the risks that Seller's business may slow down or fail, and Purchaser hereby assumes these risks based exclusively upon the information provided to it by Seller and related to the business operations of Seller's business prior to the date hereof and upon Seller's representations, warranties and covenants contained in this Agreement that are designed to give Purchaser a reasonable and fair opportunity to receive the benefit of its bargain. Furthermore, Purchaser hereby acknowledges and agrees that Seller shall be excused from performing its obligations under this Agreement in the event Seller's business ceases its operations exclusively due to the following reasons (collectively, the "Valid Excuses"):
 - i. Adverse business conditions that occurred for reasons outside Seller's control and not due to Seller's willful or negligent mishandling of its
 - Loss of the premises where Seller's business operates (but not due to Seller's violation of its obligations to its landlord);

 - Bankruptcy of Seller; and Natural disasters or similar occurrences beyond Seller's control.
- 17. Application of Amounts Received by Purchaser. Purchaser reserves the right to apply amounts received by it under this Agreement to any fees or other charges due to Purchaser from Seller prior to applying such amounts to reduce the outstanding amount of the Purchased Amount. Any ACH payments and/or payments which clear after the Effective Date of this Agreement shall be applied to the balance hereunder.
- 18. Not a Loan. Seller and Purchaser agree that the Purchase Price is paid to Seller in consideration for the ownership of the Sold Amount of Future Receipts and that payment of the Purchase Price by Purchaser is not intended to be, nor shall it be construed as, a loan from Purchaser to Seller that requires absolute and unconditional repayment on a maturity date, and Guarantor waives any claims or defenses of usury in any action arising out of this Agreement. To the contrary, Purchaser's ability to receive the Sold Amount of Future Receipts pursuant to this Agreement, and the date when the Sold Amount of Future Receipts is delivered to Purchaser in full (if ever) are subject to and conditioned upon performance of Seller's business.
- 19. No Stacking. Seller shall not further encumber the Future Receipts, without first obtaining written consent of Purchaser.

V. SELLER'S OBLIGATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS.

- 20. Seller represents, warrants and covenants that the following statements are valid, true and correct as of the date of this Agreement and unless expressly stated otherwise shall remain valid, true and correct during the term of this Agreement:
 - a. Use of Purchase Price. Seller hereby acknowledges that it fully understands that: (i) Purchaser's ability to receive the Sold Amount of Future Receipts is contingent upon Seller's continued operation of its business and successful generation of the Future Receipts until the Sold Amount of Future Receipts is delivered to Purchaser in full; (ii) that in the event of decreased efficiency or total failure of Seller's business Purchaser's receipt of the full or any portion of the Sold Amount of Future Receipts may be delayed indefinitely. Based upon the forgoing, Seller agrees to use the Purchase Price exclusively for the benefit and advancement of Seller's business operations and for no other purpose.

 b. Prohibition on Seller Acts. During the course of this Agreement, without first obtaining Purchaser's consent, Seller shall not:

 i. Change or close the Approved Bank Account or change or terminate the Approved Processor.

 ii. Open and deposit Future Receipts into a bank account different from the Approved Bank Account.

 iii. Add a credit card processor in addition to the Approved Processor.

 iv. Sell Seller's business (as an entity or its assets) to a third party.

 v. Disconnect Purchaser's bank monitoring software.
 - - Sell Future Receipts to a third party.
 - vii. Breach, or deviate from strict performance of, any and all other obligations of Seller under this Agreement.
 - c. Financial Condition and Financial Information. Seller's bank and financial statements, copies of which have been furnished to Purchaser, and future statements which may be furnished hereafter pursuant to this Agreement or upon Purchaser's request, fairly represent the financial condition of Seller as of the dates such statements are issued, and prior to execution of the Agreement there have been no material adverse changes, financial or otherwise, in such condition, operation or ownership of Seller. Purchaser may request bank and financial statements at any time during the course of this Agreement and Seller shall provide them to Purchaser within Five (5) Business Days. Seller's failure to do so is a material breach of this Agreement.

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- d. Governmental Approvals. Seller is in compliance and, during the term of this Agreement, shall be in compliance with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged.
- e. <u>Good Standing</u>. Seller is a corporation/limited liability company/limited partnership/other type of entity that is in good standing and duly incorporated or otherwise organized and validly existing under the laws of its jurisdiction of incorporation or organization and has full power and authority necessary to carry its business as it is now being conducted.
- f. Authorization. Seller has all requisite power to execute, deliver and perform this Agreement and consummate the transactions contemplated hereunder; entering into this Agreement will not result in breach or violation of, or default under, any agreement or instrument by which Seller is bound or any statute, rule, regulation, order or other law to which Seller is subject, nor require the obtaining of any consent, approval, permit or license from any governmental authority having jurisdiction over Seller. All organizational and other proceedings required to be taken by Seller to authorize the execution, delivery and performance of this Agreement have been taken. The person signing this Agreement on behalf of Seller has full power and authority to bind Seller to perform its obligations under this Agreement.
- g. Accounting Records and Tax Returns. Seller will treat receipt of the Purchase Price and delivery of the Sold Future Receipts in a manner evidencing sale of its future receipts in its accounting records and tax returns and further agrees that Purchaser is entitled to audit Seller's accounting records upon reasonable Notice in order to verify compliance. Seller hereby waives any rights of privacy, confidentiality or taxpayer privilege in any litigation or arbitration arising out of this Agreement in which Seller asserts that this transaction is anything other than a sale of future receipts.
- h. <u>Taxes; Workers Compensation Insurance</u>. Seller will promptly pay, when due, all taxes, including without limitation, income, employment, sales and use taxes, imposed upon Seller's business by law, and will maintain workers compensation insurance required by applicable governmental authorities.
- Electronic Check Processing Agreement. Seller shall not change its processor, add terminals, change its financial institution or bank account(s) or
 take any other action that could have any adverse effect upon Seller's obligations or impede Purchaser's rights under this Agreement, without Purchaser's
 prior written consent.
- j. No Diversion of Future Receipts. Seller shall not allow any event to occur that would cause a diversion of any portion of Seller's Future Receipts from the Approved Bank Account without first obtaining Purchaser's approval of such diversion.
- k. <u>Change of Name or Location</u>. Seller shall not conduct Seller's businesses under any name other than as disclosed to the Processor, defined below, and Purchaser and will not change any of its places of business without first obtaining Purchaser's written consent.
- 1. <u>Prohibited Business Transactions</u>. Seller shall not: (i) transfer or sell all or substantially all of its assets without first obtaining Purchaser's consent; or (ii) make or send notice of its intended bulk sale or transfer.
- m. No Closing of Business. Seller will not voluntarily sell, dispose, transfer or otherwise convey all or substantially all of its business or assets without first: (i) obtaining the express written consent of Purchaser, and (ii) providing Purchaser with a written agreement of a purchaser or transferee of Seller's business or assets assuming all of Seller's obligations under this Agreement pursuant to documentation satisfactory to Purchaser. Seller represents that it has no current plans to close its business either temporarily (for renovations, repairs or any other purpose), or permanently. Seller agrees that until Purchaser shall have received all of the Sold Amount of Future Receipts, Seller will not voluntarily close its business on a permanent or temporary basis for renovations, repairs, or any other purposes. Notwithstanding the foregoing, Seller shall have the right to close its business temporarily if such closing is necessitated by a requirement to conduct renovations or repairs imposed upon Seller's business by legal authorities having jurisdiction over Seller's business (such as from a health department or fire department) or if such closing is necessitated by circumstances outside Seller's reasonable control. To the extent possible, prior to any such temporary closure of its business, Seller shall provide Purchaser ten (10) Business Days advance notice.
- n. No Pending Bankruptcy. As of the date of Seller's execution of this Agreement, Seller is not insolvent, has not filed, and does not contemplate filing, any petition for bankruptcy protection under Title 11 of the United States Code and there has been no involuntary bankruptcy petition brought or pending against Seller. Seller represents that it has not consulted with a bankruptcy attorney on the issue of filing bankruptcy within six months immediately preceding the date of this Agreement.
- o. Estoppel Certificate. Seller will at any time, and from time to time, upon at least one (1) day's prior notice from Purchaser to Seller, execute, acknowledge and deliver to Purchaser and/or to any other person or entity specified by Purchaser in its notice, a statement certifying that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modification(s) and stating the date(s) on which the Sold Amount of Future Receipts or any portion thereof has been delivered.
- p. <u>Unencumbered Future Receipts.</u> Except as disclosed by Seller and/or acknowledged by Purchaser, Seller has and will continue to have good, complete and marketable title to all Future Receipts, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges and encumbrances of any kind or nature whatsoever or any other rights or interests other than by virtue or entering into this Agreement.
- q. <u>Business Purpose</u>. Seller is entering into this Agreement solely for business purposes and not as a consumer for personal, family or household purposes.
- r. No Default Under Contracts with Third Parties. Seller's execution of and/or performance of its obligations under this Agreement will not cause or create an event of default by Seller under any contract, which Seller is or may become a party to.
- s. Right of Access. In order to ensure Seller's compliance with the terms of this Agreement, Seller hereby grants Purchaser the right to enter, without notice, the premises of Seller's business for the purpose of inspecting and checking Seller's transaction processing terminals to ensure the terminals are properly programmed to submit and or batch Seller's daily receipts to the Processor and to ensure that Seller has not violated any other provision of this Agreement during normal business hours. Furthermore, Seller hereby grants Purchaser and its employees and consultants access to Seller's employees and records and all other items of property located at the Seller's place of business during the course of this Agreement.
- t. Phone Recordings and Contact. Seller agrees that any call between Seller and Purchaser and its Guarantors, managers, employees and agents may be recorded and/or monitored. Furthermore, Seller acknowledges and agrees that: (i) it has an established business relationship with Purchaser, its managers, employees and agents (collectively, the "Purchaser Parties") and that Seller may be contacted by any of the Purchaser Parties from time-to-time regarding Seller's performance of its obligations under this Agreement or regarding other business transactions; (ii) it will not claim that such communications and contacts are unsolicited or inconvenient; and (iii) that any such contact may be made by any of the Purchaser Parties in person or at any phone number (including mobile phone number), email addresses, or facsimile number belonging to Seller's office, or its Guarantors, managers, officers, or employees.
- u. Knowledge and Experience of Decision Makers. The persons authorized to make management and financial decisions on behalf Seller with respect to this Agreement have such knowledge, experience and skill in financial and business matters in general and with respect to transactions of a nature similar to the one contemplated by this Agreement so as to be capable of evaluating the merits and risks of, and making an informed business decision with regard to, Seller entering into this Agreement.
- v. Seller's Due Diligence. The person authorized to sign this Agreement on behalf of Seller: (i) has received all information that such person deemed necessary to make an informed decision with respect to a transaction contemplated by this Agreement; and (ii) has had unrestricted opportunity to make such investigation as such person desired pertaining to the transaction contemplated by this Agreement and verify any such information furnished to him or her by Purchaser.
- w. Arm-Length Transaction. The person signing this Agreement of behalf of Seller: (a) has read and fully understands content of this Agreement; (b) has consulted to the extent he/she wished with Seller's own counsel in connection with the entering into this Agreement; and (c) he or she has made sufficient investigation and inquiry to determine whether this Agreement is fair and reasonable to Seller, and whether this Agreement adequately reflects his or her understanding of its terms.

x. No Reliance on Oral Representations. This Agreement contains the entire agreement between Seller and Purchaser with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued or acquiesced in, and each oral agreement and representation previously made, by Purchaser or any of the Purchaser Parties with respect thereto (if any), whether or not relied or acted upon. No course of performance or other conduct subsequently pursued or acquiesced in, and no oral agreement or representation subsequently made, by the Purchaser Parties, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, shall amend this Agreement or impair or otherwise affect Seller's obligations pursuant to this Agreement or any rights and remedies of the parties to this Agreement.

VI. PLEDGE OF SECURITY.

- 21. Acknowledgment of Security Interest and Security Agreement. The Future Receipts sold by Seller to Purchaser pursuant to this Agreement are "accounts" or "payment intangibles" as those terms are defined in the Uniform Commercial Code as in effect in the state in which the Seller is located (the "UCC") and such sale shall constitute and shall be construed and treated for all purposes as a true and complete sale, conveying good title from Seller to Purchaser to the Future Receipts free and clear of any liens and encumbrances, except as previously disclosed and/or acknowledged by Seller,. To the extent the Future Receipts are "accounts" or "payment intangibles" then (i) the sale of the Future Receipts creates a security interest as defined in the UCC; (ii) this Agreement constitutes a "security agreement" under the UCC; and (iii) Purchaser has all the rights of a secured party under the UCC with respect to such Future Receipts. Seller further agrees that, with or without an Event of Default, Purchaser may notify account debtors, or other persons obligated on the Future Receipts, on holding the Future Receipts of Seller's sale of the Future Receipts and may instruct them to make payment or otherwise render performance to or for the benefit of Purchaser.
- 22. Financing Statements. Seller authorizes Purchaser to file one or more UCC-1 forms consistent with the UCC to give notice that the Sold Amount of Future Receipts is the sole property of Purchaser. The UCC filing may state that such sale is intended to be a sale and not an assignment for security and may state that Seller is prohibited from obtaining any financing that impairs the value of the Sold Amount of Future Receipts or Purchaser's right to collect same. Seller authorizes Purchaser to debit the Approved Bank Account for all costs incurred by Purchaser associated with the filing, amendment or termination of any UCC filings.
- 23. Security. As security for the prompt and complete performance of any and all liabilities, obligations, covenants or agreements of Seller under this Agreement, now or hereafter arising from, out of or relating to this Agreement, whether direct, indirect, contingent or otherwise (hereinafter referred to collectively as the "Seller Obligations"), Seller hereby pledges, assigns and hypothecates to Purchaser and grants to Purchaser a continuing, perfected and first priority lien upon and security interest in, to and under all of Seller's right, title and interest in and to the following (collectively, the "Secured Receipts"), whether now existing or hereafter from time to time acquired:
 - a. all accounts, including without limitation, all deposit accounts, accounts-receivable, and other receivables, chattel paper, documents, equipment, general intangibles, instruments, and inventory, as those terms are defined by Article 9 of the UCC, now or hereafter owned or acquired by Seller up to the value of the Sold Amount of Future Receipts; and
 - b. all Seller's proceeds, up to the value of the Sold Amount of Future Receipts, as that term is defined by Article 9 of the UCC.
- 24. Termination of Pledge. Upon the performance by Seller in full of the Seller Obligations, the security interest in the Secured Receipts pursuant to this Pledge shall automatically terminate without any further act of either party being required, and all rights to the Secured Receipts shall revert to Seller. Upon any such termination, Purchaser will execute, acknowledge (where applicable) and deliver such satisfactions, releases and termination statements, as Seller shall reasonably request.
- 25. Representations with Respect to Secured Receipts. Seller hereby represents and warrants to Purchaser that: the execution, delivery and performance by Seller of this Pledge, and the remedies in respect of the Secured Receipts under this Pledge (i) have been duly authorized; (ii) do not require the approval of any governmental authority or other third party or require any action of, or filing with, any governmental authority or other third party to authorize same (other than the filing of the UCC 1's); (iii) do not and shall not (A) violate or result in the breach of any provision of law or regulation, any order or decree of any court or other governmental authority, or (B) violate, result in the breach of or constitute a default under or conflict with any indenture, mortgage, or deed of trust to which Seller is a party or by which any of Seller's assets (including, without limitation, the Secured Receipts) are bound
- 26. Further Assurances. Upon the request of Purchaser, Seller, at Seller's sole cost and expense, shall execute and deliver all such further UCC-1s, continuation statements, assurances and assignments of the Secured Receipts and consents with respect to the pledge of the Secured Receipts and the execution of this Pledge, and shall execute and deliver such further instruments, agreements and other documents and do such further acts and things, as Purchaser may request in order to more fully effectuate the purposes of this Pledge and the assignment of the Secured Receipts and obtain the full benefits of this Pledge and the rights and powers herein created.
- 27. UCC Financing Statements. Seller hereby authorizes Purchaser at any time to take any action and to execute any instrument, including without limitation to file one or more financing statements and/or continuation statements, to evidence and perfect the security interest created hereby.

VII. EVENTS OF DEFAULT AND REMEDIES.

- 28. Events of Default by Seller. The occurrence of any of the following events shall constitute an "Event of Default" by Seller:
 - a. Seller shall violate any term, condition or covenant in this Agreement for any reason whatsoever other than as the result of Seller's business ceases its operations exclusively due to any of the Valid Excuses.
 - b. Any representation or warranty by Seller or Guarantor made in this Agreement shall prove to have been incorrect, false or misleading in any material respect when made.
 c. Seller shall default under any of the terms, covenants and conditions of any other agreement with Purchaser (if any).
 d. Seller uses multiple depository accounts without obtaining prior written consent of Purchaser in each instance.
 e. Seller fails to deposit any portion of its Future Receipts into the Approved Bank Account.
 f. Seller changes the Approved Bank Account or Approved Processor without obtaining prior written consent of Purchaser in each instance.

 - g. Seller interferes with Purchaser's collection of Periodic Deliveries (or Adjusted Periodic Deliveries, as the case maybe).
- 29. Default Under this Agreement. In case any Event of Default occurs and is not waived by Purchaser, Purchaser may declare Seller and/or Guarantor in default under this Agreement.
- 30. Seller's Obligations Upon Default. Upon the occurrence of an Event of Default, Seller shall immediately deliver to Purchaser the portion of the Sold Amount of Future Receipts that remain undelivered at the time of such default notice together with all other Fees (as such term is defined below) that Seller may owe to Purchaser pursuant to this Agreement (the sum of the then undelivered portion of the Sold Amount of Future Receipts and the Fees

hereinafter shall referred to the "Adjusted Sold Amount of Future Receipts"). In addition, Seller shall also pay to Purchaser, as additional damages, any reasonable expenses incurred by Purchaser in connection with recovering the monies due to Purchaser from Seller pursuant to this Agreement, including without limitation the costs of retaining collection firms and reasonable attorneys' fees and disbursements (collectively, "Reasonable Damages"). Additionally, upon default of the Seller, the parties agree that the Adjusted Sold Amount of Future Receipts will include a Default Fee of \$2,500.00. Such charge shall be in addition to and separate from any and all other fees and charges due to Purchaser that result from the default.

- 31. Remedies Upon Default. Upon occurrence of an Event of Default, Purchaser may immediately proceed to protect and enforce its rights under this Agreement against Seller:
 - a. Enforcing its rights as a secured creditor under the Uniform Commercial Code including, without limitation, notifying any account debtor(s) of Seller of Purchaser's security interest.
 - b. Notifying Seller's credit card processor or customers of Seller's default under this Agreement and to direct all future receipts and receipts to transfer to Purchaser of all or any portion of the amounts received by such credit card processor or customer on behalf of Seller.
 - c. Commencing a suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained herein, or to enforce the discharge of Seller's obligations hereunder or any other legal or equitable right or remedy including without limitation Purchaser's rights of a secured party under the UCC.
 - d. Enforcing the provisions of the Personal Guaranty against the Guarantor(s).
 - e. The full uncollected Sold Amount of Future Receipts plus all fees (including legal fees) due under this Agreement and the attached Security Agreement become due and payable in full immediately.
 - f. Purchaser may enforce its security interest in the Secured Receipts identified in the Security Agreement hereof.
 - g. Purchaser may debit Seller's depository accounts wherever situated by means of ACH debit.
- 32. Remedies are not Exclusive. Subject to the Arbitration section in this Agreement, all rights, powers and remedies of Purchaser in connection with this Agreement may be exercised at any time after the occurrence of any Event of Default, and are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided to Purchaser by law or equity.

VIII. ADDITIONAL TERMS:

- 33. ADDITIONAL FEES, IN ADDITION TO ALL OTHER SUMS DUE TO PURCHASER UNDER THIS AGREEMENT, SELLER SHALL PAY TO PURCHASER ALL FEES SET FORTH IN RIDER 1 TO THIS AGREEMENT (EACH OF SUCH FEES A "FEE" AND, THE SUM OF ALL SUCH CHARGES, HEREINAFTER, THE "FEES").
- 34. Seller Deposit Agreement. Seller shall execute an agreement (the "Seller Deposit Agreement") acceptable to Purchaser with a Bank acceptable to Purchaser to obtain electronic fund transfer services for the Seller's account at the Bank approved by Purchaser (the "Account"). Seller shall provide Purchaser and/or its authorized agent(s) with all of the information, authorizations and passwords necessary for verifying Seller's receipts, deposits and withdrawals into and from the Account. Seller hereby authorizes Purchaser and/or its agent(s) to deduct from the Account the amounts owed to Purchaser for the receipts as specified herein and to pay such amounts to Purchaser. Seller also hereby authorizes Purchaser to withdraw from the Account the Specified Percentage(s) and/or sums by Purchaser debiting the account. These authorizations apply not only to the approved Account but also to any subsequent or alternate account used by the Seller for these deposits, whether pre-approved by Purchaser or not. This additional authorization is not a waiver of Purchaser's entitlement to declare this Agreement breached by Seller as a result of its usage of an account which Purchaser did not first pre-approve in writing prior to Seller's usage thereof. The aforementioned authorizations shall be irrevocable without the written consent of Purchaser.

Seller understands and agrees that this Agreement, including the authorizations to access Seller's accounts (including the Account) set forth herein, as well as all other payment processing agreements entered into with respect to the Transactions irrevocably authorize the processor of such payments (the "Processor") and Operator, as defined below, to pay the cash attributable to the Specified Percentage of Receipts to Purchaser rather than to Seller until Purchaser receives the cash attributable to the entire Specified Amount of Future Receipts from Processor and Operator. Seller and Guarantor(s) authorize Purchaser and its agents: i) to investigate Seller's financial status and history, and will provide to Purchaser any authorizations, bank or financial statements, tax returns, etc., as Purchaser deems necessary in its sole and absolute discretion prior to or at any time after execution of this Agreement and ii) to update such information and financial and credit profiles from time to time as Purchaser deems appropriate. Seller hereby authorizes all of its banks, processors and customers to provide Purchaser with Seller's bank statements, brokerage statements, processing history and such other statements and information as Purchaser may in its sole discretion require to determine Seller's and Guarantor's qualification or continuation in this program and for collections purposes.

These authorizations and instructions may be revoked only with the prior written consent of Purchaser. Seller agrees that Processor and Operator may rely upon the instructions of Purchaser, without any independent verification, in making the cash payments above. Seller waives any claim for damages it may have against Processor or Operator in connection with actions taken based on instructions from Purchaser, unless such damages were due to such Processor's or Operator's failure to follow Purchaser's instructions. Seller acknowledges and agrees that (a) Processor and Operator will be acting on behalf of Purchaser with respect to the Specified Percentage of Receipts until cash attributable to the entire Specified Amount of Future Receipts has been remitted by Processor and Operator to Purchaser, (b) Processor and Operator may or may not be affiliates of Purchaser, (c) Purchaser is not responsible and shall not be liable for, and Seller agrees to hold Purchaser harmless for, the actions of Processor and Operator, and (d) funds representing the Specified Percentage of Receipts in the possession of Processing or Operator constitute property owned solely by Purchaser, and Seller disclaims any and all interest therein. For purposes of this Agreement, the term "Operator" shall mean Purchaser or any person or entity designated by Purchaser to debit or otherwise withdraw (via the Automated Clearing House ("ACH") system, electronic checks, wires, or otherwise) any amounts from Seller's or principal(s) accounts as authorized or permitted by this Agreement.

- 35. Transactional History. Seller shall execute written authorization(s) to their bank(s) to provide Purchaser with Seller's banking and/or credit-card processing history.
- 36. Indemnification. Seller hereby does severally indemnify and hold harmless Approved Processor, its officers, directors and shareholders against all losses, damages, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Approved Processor resulting from (a) claims asserted by Purchaser for monies owed to Purchaser from Seller, and (b) actions taken by Approved Processor in reliance upon information or instructions provided by Purchaser, and (c) any claims by third parties that result on reliance upon information and representations made by the Seller.
- 37. NO LIABILITY. IN NO EVENT SHALL PURCHASER BE LIABLE FOR ANY CLAIMS ASSERTED BY SELLER OR ITS GUARANTOR UNDER ANY LEGAL THEORY FOR LOST PROFITS, LOST REVENUES, LOST BUSINESS OPPORTUNITIES, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EACH OF WHICH IS WAIVED BY SELLER AND GUARANTOR(S). THE LIABILITY OF PURCHASER SHALL BE LIMITED TO THE AMOUNT OF THE PURCHASE PRICE.

38. Right to Cancel.

- a. Notwithstanding anything to the contrary set forth in this Agreement, Purchaser shall have the right to cancel this Agreement any time prior to its delivery of the Purchase Price to Seller and, upon such cancellation, this Agreement shall become null and void and the parties shall have no obligation to, or rights against, each other, except that all sums delivered by Seller to Purchaser on account of entering into this Agreement shall be promptly returned to Seller.
- b. Notwithstanding anything to the contrary set forth in this Agreement, in the event Seller has not been in default under this Agreement, Seller shall have the right to cancel this Agreement any time until the midnight of the fifth (5th) Business Day following the date of its receipt of the Purchase Price by notifying Purchaser of such cancellation by notice sent in accordance with this Agreement. Upon timely delivering such cancellation notice to Purchaser, and further provided that Seller has otherwise complied with the provisions of this Agreement, Seller shall refund the entire amount of the Purchase Price back to Purchaser within five (5) Business Days following the date of Seller's receipt of the Purchase Price. Upon such refund of the Purchase Price back to Purchaser, this Agreement shall become null and void and the parties shall have no remaining obligations to or rights against each other except that Purchaser shall have the right to keep, as fair and adequate compensation for its costs of entering into this Agreement with Seller, the entire amount of Periodic Deliveries as well as the Origination Fee (as set forth above) received by Purchaser prior to the date when this Agreement is terminated.

IX. GUARANTY OF PERFORMANCE OF SELLER'S OBLIGATIONS.

39. Guarantor's Representations. Seller and Seller's Guarantor represent and warrant to Purchaser that:

- a. Guarantor will benefit from Purchaser and Seller entering into this Agreement.
- b. Guarantor understands and acknowledges that Purchaser is not willing to enter into the Agreement unless Seller and Guarantor irrevocably, guarantees prompt and complete performance of any and all Guaranteed Obligations, as defined in Section 40 below, now or hereafter arising from, out of or relating to this Agreement, whether direct, indirect, contingent or otherwise.
- <u>40.</u> <u>Personal Guaranty of Performance</u>. Guarantor agrees to irrevocably, absolutely and unconditionally guarantee to Purchaser prompt and complete performance of the following obligations of Seller (the "Guaranteed Obligations"):
 - a. Seller's obligation to not (i) change the Account, (ii) add an additional Account, (iii) revoke Purchaser's authorization to debit the Account, (iv) close the Account without the express written consent of Purchaser or (v) take any other action with the intent to interfere with Purchaser's right to collect the purchased Future Receipts;
 - b. Seller's obligation to not conduct Seller's businesses under any name other than as disclosed to Purchaser;
 - Seller's obligation to not change any of its places of business without prior written consent by Purchaser;
 - d. Seller's obligation to not voluntarily sell, dispose, transfer or otherwise convey its business or substantially all business assets without (i) the express prior written consent of Purchaser, and (ii) the written agreement of any purchaser or transferee assuming all of Seller's obligations under this Agreement pursuant to documentation satisfactory to Purchaser;
 - e. Seller's obligation to not enter into any cash advance or any loan agreement that relates to or encumbers its Future Receipts with any party other than Purchaser for the duration of this Agreement without Purchaser's prior written consent; and
 - f. Seller's obligation to provide truthful, accurate, and complete information as required by this Agreement.
- 41. Waiver; Remedies. No failure on the part of Purchaser to exercise, and no delay in exercising, any right under this Guaranty shall operate as a waiver, nor shall any single or partial exercise of any right under this Guaranty preclude any other or further exercise of any other right. The remedies provided in this Guaranty are cumulative and not exclusive of any remedies provided by law or equity. In the event that Seller fails to perform any obligation under the Agreement, Purchaser may enforce its rights under this Guaranty without first seeking to obtain performance for such default from Seller.
 - 42. Acknowledgment of Purchase. Guarantor and Seller acknowledge and agree that the Purchase Price paid by Purchaser to Seller in exchange for the Sold Amount of Future Receipts is a payment of an adequate consideration and is not intended to be treated as a loan or financial accommodation from Purchaser to Seller. Guarantor and Seller specifically acknowledge that Purchaser is not a lender, bank or credit card processor, and that Purchaser has not offered any loans to Seller, and Guarantor and Seller respectively waive any claims or defenses of usury in any action arising out of this Agreement. Guarantor and Seller acknowledge that the Purchase Price paid to Seller is good and valuable consideration for the sale of the Sold Amount of Future Receipts.
 - 43. Severability. If for any reason any court of competent jurisdiction finds any provisions of this Agreement applicable to the Seller or Guarantor to be void or voidable, the parties agree that the court may reform such provision(s) to render the provision(s) enforceable ensuring that the restrictions and prohibitions contained in those provisions shall be effective to the fullest extent allowed under applicable law.
- 44. Opportunity for Attorney Review. Seller and Guarantor respectively represent that he/she has carefully read this Agreement and has, or had an opportunity to, consult with his or her attorney. Seller and Guarantor respectively understand the contents of this Agreement, signs it as his or her free act and deed, and agrees to be bound by the provisions hereof.

X. MISCELLANEOUS.

- 45. Modifications; Agreements. No modification, amendment, waiver or consent of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all parties.
- 46. Assignment. Purchaser may assign, transfer or sell its rights or delegate its duties hereunder, either in whole or in part without prior notice to the Seller or the Guarantor. Neither Seller nor Guarantor shall have the right to assign their respective rights or obligations under this Agreement without first obtaining Purchaser's written consent.
- 47. Notices. All notices, requests, consent, demands and other communications hereunder shall be delivered by certified mail, return receipt requested, to the respective parties to this Agreement at the addresses set forth in this Agreement and shall become effective as of the date of receipt or declined receipt.
 - 48. Waiver Remedies. No failure on the part of any party to exercise, and no delay in exercising, any right under this Agreement, shall operate as a

waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder are cumulative and not exclusive of any remedies provided by law or equity.

- 49. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
- 50. Governing Law, Venue and Jurisdiction. Except as set forth in the Arbitration section, this Agreement shall be governed by and construed exclusively in accordance with the laws of the State of New York, without regards to any applicable principles of conflicts of law. Any lawsuit, action or proceeding arising out of or in connection with this Agreement shall be instituted exclusively in any Court sitting in any county in New York State, (the "Acceptable Forums"). Each party signing this Agreement agrees that the Acceptable Forums are convenient, and irrevocably submits to the jurisdiction of the Acceptable Forums and waives any and all objections to inconvenience of the jurisdiction or venue. Should a proceeding be initiated in any other forum, the parties waive any right to oppose any motion or application made by either party to transfer such proceeding to an Acceptable Forum.
- 51. Survival of Representation, etc. All representations, warranties and covenants herein shall survive the execution and delivery of this Agreement and shall continue in full force until all obligations under this Agreement shall have been complied with and satisfied in full and this Agreement shall have terminated.
- 52. Entire Agreement. Any provision hereof prohibited by law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions hereof. This Agreement and all amendments, riders and exhibits thereon (if any) embody the entire agreement between Seller, and Purchaser and supersede all prior agreements and understandings relating to the subject matter hereof.
- 53. JURY TRIAL WAIVER. THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTIONS OF WHICH THIS AGREEMENT IS A PART OR THE ENFORCEMENT HEREOF. THE PARTIES HERETO ACKNOWLEDGE THAT EACH PARTY MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH THEIR ATTORNEYS.
 - 54. CLASS ACTION WAIVER. THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY TO THIS AGREEMENT, AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW AGAINST PUBLIC POLICY. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES HEREBY AGREE THAT: (1) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT TO THE CONTRARY); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.
 - 55. SERVICE OF PROCESS. IN ADDITION TO THE METHODS OF SERVICE ALLOWED BY THE NEW YORK CIVIL PRACTICE LAW & RULES ("CPLR"), SELLER AND GUARANTOR HEREBY AGREE AND CONSENT THAT THE MAILING OR EMAILING OF ANY PROCESS REQUIRED BY ANY SUCH COURT WILL CONSTITUTE VALID AND LAWFUL SERVICE OF PROCESS AGAINST EACH SELLER AND GUARANTOR WITHOUT THE NECESSITY FOR SERVICE BY ANY OTHER MEANS PROVIDED BY STATUTE OR RULE OF COURT, BUT WITHOUT INVALIDATING SERVICE PERFORMED IN ACCORDANCE WITH SUCH OTHER PROVISIONS. SUCH MAILING OF PROCESS SHALL BE MADE VIA CERTIFIED MAIL TO THE ADDRESSES PROVIDED FOR THE SELLER AND GUARANTOR IN THIS AGREEMENT; AND SUCH EMAILING SHALL BE MADE BY EMAILING A COPY OF THE PROCESS AS AN ATTACHMENT TO THE EMAIL ADDRESS(ES) OF THE SELLER AND/OR GUARANTOR PROVIDED IN THIS AGREEMENT. SELLER AND GUARANTOR AGREE THAT THE SERVICE OF SUCH PROCESS AND ANY LEGAL PAPERS SERVED SUBSEQUENTLY THEREAFTER SHALL BE DEEMED COMPLETE UPON SUCH MAILING OR TRANSMISSION OF SUCH EMAIL IRRESPECTIVE OF WHETHER SUCH MAILING OR EMAIL IS ACTUALLY RECEIVED BY EACH SELLER AND GUARANTOR. SELLER AND GUARANTOR AGREE THAT THEY WILL BE PRECLUDED FROM ASSERTING THAT THEY DID NOT RECEIVE SERVICE OF PROCESS OR ANY OTHER NOTICE MAILED OR EMAILED TO THE FOREGOING ADDRESS OR EMAIL ADDRESS IF THEY DO NOT FURNISH A CERTIFIED MAIL RETURN RECEIPT SIGNED BY PURCHASER DEMONSTRATING THAT PURCHASER WAS PROVIDED WITH NOTICE OF A CHANGE IN THE SELLER AND/OR GUARANTOR'S ADDRESS OR EMAIL ADDRESS.
 - 56. Truthfulness of Information. The information provided by or on behalf of Seller and Guarantor to Purchaser in connection with the execution of, or pursuant to this Agreement, is and shall be true and correct in all material respects. Seller and Guarantor shall furnish Purchaser with such other information as Purchaser may reasonably request from time to time, including all information necessary to permit Purchaser and its agents to determine the amount to be paid to Purchaser and to initiate electronic check or ACH transactions from the Bank Account.
 - <u>57.</u> <u>Captions</u>. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.
 - 58. Counterparts and Facsimile Signatures. This Agreement can be signed in one or more counterparts, each of which shall constitute an original and all of which when take together shall constitute one and the same agreement. Signatures delivered via facsimile and/or via Portable Digital Format (PDF) shall be deemed acceptable for all purposes, including without limitation the evidentially purposes.
 - <u>59.</u> <u>Publicity.</u> Seller and each of Seller's Owners and all Guarantors hereto all hereby authorizes Purchaser to use its, his or her name in listings of clients and in advertising and marketing materials.
 - 60. ARBITRATION. IF BUYER, SELLER OR ANY GUARANTOR REQUESTS, THE OTHER PARTIES AGREE TO ARBITRATE ALL DISPUTES AND CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT. IF BUYER, SELLER OR ANY GUARANTOR SEEKS TO HAVE A DISPUTE SETTLED BY ARBITRATION, THAT PARTY MUST FIRST SEND TO ALL OTHER PARTIES, BY CERTIFIED MAIL, A WRITTEN NOTICE OF INTENT TO ARBITRATE. IF BUYER, SELLER OR ANY GUARANTOR DO NOT REACH AN AGREEMENT TO RESOLVE THE CLAIM WITHIN 30 DAYS AFTER THE NOTICE IS RECEIVED, BUYER, SELLER OR ANY GUARANTOR MAY COMMENCE AN ARBITRATION PROCEEDING WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") OR THE FORUM. BUYER WILL PROMPTLY REIMBURSE SELLER OR THE GUARANTOR FOR ANY ARBITRATION FILING FEE, HOWEVER, IN THE EVENT THAT BOTH SELLER AND THE GUARANTOR MUST PAY FILING FEES, BUYER WILL ONLY REIMBURSE SELLER'S ARBITRATION FILING FEE AND, EXCEPT AS PROVIDED IN THE NEXT SENTENCE, BUYER WILL PAY

Initials: 795

ALL ORIGINATION FEES AND ARBITRATOR FEES. IF THE ARBITRATOR FINDS THAT EITHER THE SUBSTANCE OF THE CLAIM RAISED BY SELLER OR THE GUARANTOR OR THE RELIEF SOUGHT BY SELLER OR THE GUARANTOR IS IMPROPER OR NOT WARRANTED, AS MEASURED BY THE STANDARDS SET FORTH IN FEDERAL RULE OF PROCEDURE 11(B), THEN BUYER WILL PAY THESE FEES ONLY IF REQUIRED BY THE AAA OR FORUM RULES. SELLER AND THE GUARANTOR AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THEY ARE WAIVING THE RIGHT TO TRIAL BY JURY. BUYER, SELLER OR ANY GUARANTOR MAY BRING CLAIMS AGAINST ANY OTHER PARTY ONLY IN THEIR INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. FURTHER, BUYER, SELLER AND ANY GUARANTOR AGREE THAT THE ARBITRATOR MAY NOT CONSOLIDATE PROCEEDINGS FOR MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING, AND THAT IF THIS SPECIFIC PROVISION DEALING WITH THE PROHIBITION ON CONSOLIDATED, CLASS OR AGGREGATED CLAIMS IS FOUND UNENFORCEABLE, THEN THE ENTIRETY OF THIS ARBITRATION CLAUSE SHALL BE NULL AND VOID. THIS AGREEMENT TO ARBITRATE IS GOVERNED BY THE FEDERAL ARBITRATION ACT AND NOT BY ANY STATE LAW REGULATING THE ARBITRATION OF DISPUTES. THIS AGREEMENT IS FINAL AND BINDING EXCEPT TO THE EXTENT THAT AN APPEAL MAY BE MADE UNDER THE FAA. ANY ARBITRATION DECISION RENDERED PURSUANT TO THIS ARBITRATION AGREEMENT MAY BE ENFORCED IN ANY COURT WITH JURISDICTION. THE TERMS "DISPUTES" AND "CLAIMS" SHALL HAVE THE BROADEST POSSIBLE MEANING.

61. RIGHT TO OPT OUT OF ARBITRATION. SELLER AND GUARANTOR(S) MAY OPT OUT OF THE ARBITRATION PROVISION ABOVE. TO OPT OUT OF THE ARBITRATION CLAUSE, SELLER AND EACH GUARANTOR MUST SEND BUYER A NOTICE THAT THE SELLER AND EACH GUARANTOR DOES NOT WANT THE CLAUSE TO APPLY TO THIS AGREEMENT. FOR ANY OPT OUT TO BE EFFECTIVE, SELLER AND EACH GUARANTOR MUST SEND AN OPT OUT NOTICE TO THE FOLLOWING ADDRESS BY REGISTERED MAIL, WITHIN 14 DAYS AFTER THE DATE OF THIS AGREEMENT: C/O PCP MANAGEMENT CORP., 15 WEST 36TH STREET, 11TH FLOOR, NEW YORK, NEW YORK 10018, ATTENTION: LEGAL DEPARTMENT, ARBITRATION OPT-OUT.

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Initials: TGS

SELLER NAME: (legal name of business) SHAW ALMEX-FUSION LLC By:	By: I M		
Name: TIMOTHY GLEN SHAW Title: Owner FEIN: 73-1735654	Name: TIMOTHY GLEN SHAW SSN: 471-76-7756		
Prosperum Capital Partners LLC d/b/a/ Arsenal Funding	GUARANTOR #2:		
By:	Ву:		
Name: Title:	Name: SSN:		

RIDER 1

TO THE FUTURE RECEIPTS SALE AND PURCHASE AGREEMENT("Agreement")

Between PROSPERUM CAPITAL PARTNERS LLC d/b/a ARSENAL FUNDING ("Purchaser") and SHAW ALMEX FUSION LLC d/b/a SHAW ALMEX FUSION ("Merchant")

APPLICABLE FEES

- **1.** <u>Possible Conflicts.</u> If there is any conflict or inconsistency between any of the provisions of this Rider and any of the provisions of the Future Receipts Sale and Purchase Agreement (the "Agreement") to which this Rider is attached, all such conflicts and inconsistencies shall be resolved in favor of the provisions of this Rider.
- 2. <u>Definitions</u>. All capitalized terms used in this Rider shall have the meaning set forth in the Agreement unless otherwise indicated herein.
- **3.** <u>Applicable Fees.</u> The parties agree that the Applicable Fees which Seller shall pay to Purchaser, pursuant to Section 34 of the Agreement shall be as follows:
 - Origination Fee: This is the fee paid by the SELLER to Purchaser to cover the costs of underwriting this Agreement, and other administrative costs.
 - Funding Fee: \$35.00-For same day wire transfer.
 - <u>UCC Fee</u>: \$195.00 Includes the initial filing, and removal of the UCC-1 filing, completed immediately post-funding, unless otherwise specified by Purchaser.
 - <u>Default Fee</u>: \$2,500.00 Applied if the SELLER/GUARANTOR changes the bank account or intentionally diverts receipts collections to another account, preventing Purchaser from receiving payments.
- **4.** No Reduction of Purchase Price. Seller hereby agrees that deduction of any Fees from the Purchase Price shall not be deemed to reduce the amount of the Purchase Price.

Seller and Purchaser agree that this Rider shall be attached to the Agreement and shall be made a part thereof.

FOR PURCHASER	FOR THE SELLER
By:	By: In Sw
Name:	Name: TIMOTHY GLEN SHAW

RIDER 2

TO THE FUTURE RECEIPTS SALE AND PURCHASE AGREEMENT("Agreement")

Between PROSPERUM CAPITAL PARTNERS LLC d/b/a ARSENAL FUNDING ("Purchaser") and SHAW ALMEX FUSION LLC d/b/a SHAW ALMEX FUSION ("Merchant")

PRIOR BALANCE

- 1. <u>Possible Conflicts</u>. If there is any conflict or inconsistency between any of the provisions of this Rider and any of the provisions of the Future Receipts Sale and Purchase Agreement (the "Agreement") to which this Rider is attached, all such conflicts and inconsistencies shall be resolved in favor of the provisions of this Rider.
- 2. <u>Definitions</u>. All capitalized terms used in this Rider shall have the meaning set forth in the Agreement unless otherwise indicated herein.
- **3. <u>Prior Balance.</u>** Seller represents and warrants that the following list of its creditors and the amounts that Seller owes its creditors as of the Effective Date of the Agreement is true, correct and complete:

TOTAL PRIOR BALANCE: \$0.00

- **4.** <u>Authorization</u>. Seller hereby authorizes Purchaser to apply a portion of the Purchase Price due to Seller pursuant to the Agreement toward satisfaction of Seller's obligation to pay the Applicable Fees pursuant to Section 17 of the Agreement by deducting the amount of the Applicable Fees from the Purchase Price prior to delivering it to Seller.
- **5.** <u>No Reduction of Purchase Price</u>. Seller hereby agrees that deduction of any Fees from the Purchase Price shall not be deemed to reduce the amount of the Purchase Price.
- **6. <u>Indemnification.</u>** Seller hereby indemnifies and holds harmless Purchaser for any and all damages and losses (including without limitation legal fees and expenses) incurred by Purchaser as the result of the information set forth in this Rider being untrue or incorrect or incomplete.

Seller and Purchaser agree that this Rider shall be attached to the Agreement and shall be made a part thereof.

FOR PURCHASER	FOR THE SELLER
By:	By: Tw Sw
Name:	Name: TIMOTHY GLEN SHAW

RIDER 3

TO THE FUTURE RECEIPTS SALE AND PURCHASE AGREEMENT("Agreement")

Between PROSPERUM CAPITAL PARTNERS LLC d/b/a ARSENAL FUNDING ("Purchaser") and SHAW ALMEX FUSION LLC d/b/a SHAW ALMEX FUSION ("Merchant")

ORIGINATION FEE

- 1. Possible Conflicts. If there is any conflict or inconsistency between any of the provisions of this Rider and any of the provisions of the Future Receipts Sale and Purchase Agreement (the "Agreement") to which this Rider is attached, all such conflicts and inconsistencies shall be resolved in favor of the provisions of this Rider.
- 2. Definitions. All capitalized terms used in this Rider shall have the meaning set forth in the Agreement unless otherwise indicated herein.
- 3. Applicable Fees. The parties agree that the Origination Fee that Seller shall pay to Purchaser pursuant to Section 19 of the Agreement shall be:

Origination Fee: \$12,500.00 **ACH Program Fee:** \$0.00

Wire Fee: \$0.00

- 4. Authorization. Seller hereby authorizes Purchaser to apply a portion of the Purchase Price due to Seller pursuant to the Agreement toward satisfaction of Seller's obligation to pay the Origination Fee pursuant to Section 19 of the Agreement by deducting the amount of the Origination Fee from the Purchase Price prior to delivering it to Seller.
- 5. No Reduction of Purchase Price. Seller hereby agrees that deduction of the Origination Fee from the Purchase Price shall not be deemed to reduce the Purchase Price.

Seller and Purchaser agree that this Rider shall be attached to the Agreement and shall be made a part thereof.

FOR PURCHASER	FOR THE SELLER
By:	By: I w
Name:	Name: TIMOTHY GLEN SHAW

RIDER 4 IDENTIFYING INFORMATION OF SELLER AND GUARANTOR

SELLER (#1)			
Full Name:	TIMOTHY GLEN SHAW	Social Security No:	471-76-7756
Title	Owner	Driver License No:	AN136441
Signature	Tw Sw		
OWNER / GUAR	ANTOR (#1)		
Full Name:	TIMOTHY GLEN SHAW	Social Security No:	471-76-7756
Title	Owner	Driver License No:	AN136441
Signature	1 m Sm	1	
SELLER (#2)			
Full Name:		Social Security No:	
Title		Driver License No:	
Signature		,	,
OWNER / GUAR	ANTOR (#2)		
Full Name:		Social Security No:	
Title		Driver License No:	

Signature

PROSPERUM CAPITAL PARTNERS LLC

PURCHASED AMOUNT ADDENDUM

This addendum is made as of 2024-09-27 (the "Addendum") to the Agreement for the Purchase and Sale of Future Receipts between PROSPERUM CAPITAL LLC (the "Buyer") and SHAW ALMEX FUSION LLC (the "Seller") dated 2024-09-27 (the "Agreement").

Buyer and Seller are sometimes referred to herein collectively as the "Parties" and each as a "Party." Whereas, the Parties desire to add certain terms to the Agreement.

In consideration of the above promises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, do hereby agree and add terms to the Agreement as follows:

Discounted Purchased Amount shall be defined as:

Seller: SHAW ALMEX FUSION LLC

- 1. \$307,500.00 based upon a reduced factor rate equal to 1.230 if Seller delivers the Future Receipts within 30 calendar days of the Purchase Price being paid by Buyer.
- 2. \$320,000.00 based upon a reduced factor rate equal to 1.280 if Seller delivers the Future Receipts within 60 calendar days of the Purchase Price being paid by Buyer.

Notwithstanding the above, if an Event of Default occurs pursuant to the Agreement, Seller forfeits Seller's rights pursuant to this Addendum.

IN WITNESS WHEREOF, each of the undersigned has executed, or has caused to be executed, this Addendum as of the date first written above.

Seller:

Agreed to by: TIMOTHY GLEN S	SHAW Agreed t	o by:	
Signature: In Sw	Signatur	e:	
Title: Owner/Agent/Manager	Title:		
Buyer: Prosperum Capital Partner	s LLC d/b/a Arsenal Funding		
Agreed to by:	Signature:	Title:	

APPENDIX A ACH Authorization Form

All information on this form is required unless otherwise noted.

Business Authorized to Debit/Credit Account (the "Purchaser") Authorized Business

Name: PROSPERUM CAPITAL PARTNERS LLC d/b/a ARSENAL FUNDING

Authorized Business Phone Number: 1-888-608-5790

Authorized Business Address: 15 W 36th Street, 11th Fl., New York, NY 10018

Business Information (the "Seller"):

Business Name: SHAW ALMEX FUSION LLC

Business DBA: SHAW ALMEX FUSION

Business Phone:

Account Holder Address: 2933 MILLER ROAD, DECATUR, Georgia 30035

Account Holder's Bank Information:

Account Holder's Bank Name: HSBC

Bank Routing Number: 022000020

Bank Account Number: 751724874

*Please verify and complete any missing

information.

Transaction Information:

Amount of Transaction: \$13,173.08

Effective Date: 2024-09-27
Rate of collection: Weekly

Authorization:

Pursuant to that certain Future Receipts Sale and Purchase Agreement dated **2024-09-27** between Purchaser and Seller (the "Agreement"), Seller authorizes Purchaser to electronically draft via the Automated Clearing House system the amount(s) indicated above and/or a lower amount from the account identified above (the "Approved Bank Account"). The Undersigned hereby certifies that they are duly authorized to execute this form on behalf of the above listed account holder and acknowledges that Seller is subject to a \$35 reject fee for each instance when request for a draw is denied due to insufficient funds in the bank account.

NOTE that this authorization is to remain in full force and effect until Purchaser receives written notification from Seller of its termination in such time and in such manner to afford Purchaser a reasonable opportunity to act on it; provided, however, that revocation of this authorization prior to remittance of the balance under the Agreement shall constitute a breach of the Agreement.

"TIMOTHY GLEN SHAW agrees to be bound by the ACH Rules as set forth by NACHA" (The Electronic Payments Association) and represents and warrants that the Approve Bank Account is established and used primarily for commercial/business purposes, and not for consumer, family or household purposes.

FOR THE SELLER

By: Ind &

Date: 09/27/2024 20:44 UTC

Name of Account Holder: TIMOTHY GLEN SHAW

Title of Account Holder: Owner



ADDENDUM TO CONTRACT

Addendum to Merchant Agreement and the related Agreement identified as: AGREEMENT OF SALE OF FUTURE RECEIPTS: AGREEMENT OF SALE OF FUTURE RECEIVABLES.

Reference is made to the above referenced Agreements between Prosperum Capital Partners LLC dba Arsenal Funding (Purchaser) and SHAW ALMEX FUSION LLC (Seller) located at 2933 MILLER ROAD, DECATUR, Georgia 30035. Notwithstanding anything contained therein to the contrary the parties agree as follows: Seller agrees that the business(s') listed below will be fully bound by all of the terms, conditions, representations, warranties, and covenants of the referenced Agreements. Purchaser is authorized to apply the purchased percentage identified in the referenced Agreement to any of the businesses identified below. All other terms and conditions of the referenced agreement remain unchanged.

Representations with Respect to Collateral. Merchant hereby represents and warrants to Purchaser that: the execution, delivery and performance by Merchant of this Pledge, and the remedies in respect of the Collateral under this Pledge (i) have been duly authorized; (ii) do not require the approval of any governmental authority or other third party or require any action of, or filing with, any governmental authority or other third party to authorize same (other than the filing of the UCC 1's); (iii) do not and shall not (A) violate or result in the breach of any provision of law or regulation, any order or decree of any court or other governmental authority, or (B) violate, result in the breach of or constitute a default under or conflict with any indenture, mortgage, deed of trust, agreement or any other instrument to which Merchant is a party or by which any of Merchant's assets (including, without limitation, the Collateral) are bound.

1.	Business Name: SHAW ALMEX FUSION LLC EIN:			
	Address:			
	Bank: HSBC	Acct #: 751725307	Routing #: 022000020	
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3.	Business Name: EIN:			
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	Bank:	Acct #:	Routing #:	
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4. Business Name: EIN:				
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5.	Business Name: EIN:			
	Address:			
	Bank:	Acct #:	Routing #:	

Initials: 795

6.	Business Name: EIN:			
	Address:			
	Bank:	Acct #:	Routing #:	
7.	Business Name: EIN:			
	Address:			
	Bank:	Acct #:	Routing #:	
8.	Business Name: EIN:			
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	Bank:	Acct #:	Routing #:	
13.	Business Name: EIN:			
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19.	Business Name: EIN:			
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20.	Business Name: EIN:			
	Address:			
	Bank:	Acct #:		Routing #:
By the	ir signatures below the parties agree to be	bound by this am	endment	
	: SHAW ALMEX FUSION LLC		Seller:	
By:	Try Su		By:	
Date:	09/27/2024 20:44 UTC		Date:	
Name	: TIMOTHY GLEN SHAW		Name:	
Title:	Owner		Title:	
Purch	aser: Prosperum Capital Partners LLC d	/b/a Arsenal Fund	ing	

Name:

By:

Title:



→ Document Completion Certificate

Document Reference : 8f4dd9e3-f11c-44d9-81de-0213111321c7

Document Title : ARSENAL MERCHANT CONTRACT

Document Region : Northern Virginia Sender Name : Arsenal Contracts

Sender Email : contracts@arsenalfunding.com

Total Document Pages : 24

Secondary Security : Not Required

Participants

1. TIMOTHY GLEN SHAW (tim.shaw@almex.com)

Document History

Timestamp	Description
09/27/2024 16:01PM EDT	Email sent to TIMOTHY GLEN SHAW (tim.shaw@almex.com).
09/27/2024 16:01PM EDT	Email sent to Arsenal Contracts (contracts@arsenalfunding.com).
09/27/2024 16:20PM EDT	Document viewed by TIMOTHY GLEN SHAW (tim.shaw@almex.com). 24.114.37.175 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/129.0.0.0 Safari/537.36
09/27/2024 16:42PM EDT	Document viewed by TIMOTHY GLEN SHAW (tim.shaw@almex.com). 98.252.251.185 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/129.0.0.0 Safari/537.36
09/27/2024 16:42PM EDT	Document viewed by TIMOTHY GLEN SHAW (tim.shaw@almex.com). 20.220.198.115 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/125.0.6422.142 Safari/537.36
09/27/2024 16:44PM EDT	TIMOTHY GLEN SHAW (tim.shaw@almex.com) has agreed to terms of service and to do business electronically with Arsenal Contracts (contracts@arsenalfunding.com). 98.252.251.185 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/129.0.0.0 Safari/537.36
09/27/2024 16:44PM EDT	Signed by TIMOTHY GLEN SHAW (tim.shaw@almex.com). 98.252.251.185 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/129.0.0.0 Safari/537.36
09/27/2024 16:44PM EDT	Document copy sent to Arsenal Contracts (contracts@arsenalfunding.com).
09/27/2024 16:44PM EDT	Document copy sent to TIMOTHY GLEN SHAW (tim.shaw@almex.com).

THIS IS **EXHIBIT "Z"** REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

essica Withmann

DENTONS

Dennis R. WiebePartner, Global Co-Chair of Banking and

dennis.wiebe@dentons.com D +1 416 863 4475 Dentons Canada LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON, Canada M5K 0A1

dentons.com

March 19, 2025

DELIVERED VIA EMAIL

Shaw-Almex Industries Limited 323 Glover Road Stoney Creek, ON L8E 5M2

Attention: Mr. Tim Shaw

Dear Sir:

Re: <u>Indebtedness and Liability owing by Shaw-Almex Industries Limited to Royal Bank of Canada</u>

We are the solicitors for Royal Bank of Canada (as successor by amalgamation between HSBC Bank Canada and Royal Bank of Canada on or about March 29, 2024, the "Bank") in connection with the indebtedness and liability owing by Shaw-Almex Industries Limited (the "Debtor") to the Bank, pursuant to an amended and restated facility letter dated January 27, 2023, as amended by a first amendment dated March 26, 2024 (collectively, the "Facility Letter"). All capitalized terms used herein, and not specifically defined herein, shall have the meaning ascribed thereto in the Facility Letter.

The records of the Bank indicate that the Debtor is indebted and liable to the Bank under the Operating Loan Facility as of March 18, 2025 in the following amounts:

- (a) in the principal amount of CAD \$15,589,239.09 (including outstanding credit card obligations), plus accrued and unpaid interest; and
- (b) in the principal amount of USD \$523,779.73, plus accrued and unpaid interest.

The Bank hereby demands payment of all indebtedness and liability owing by the Debtor to the Bank.

Interest shall continue to accrue on the Debtor's indebtedness to the Bank until payment in full thereof at the rate or rates applicable thereto as set out in the Facility Letter. The Debtor shall also be liable to the Bank for all costs (including all legal fees and disbursements) incurred by the Bank in collecting the indebtedness owing by the Debtor to the Bank and realizing on the Bank's security.

dentons.com





The Bank reserves its rights in connection with the Facility Letter and the accompanying Bank security.

Page 2

Yours truly,

DENTONS CANADA LLP

Docusigned by:
Pennis Wiche
E9DF4422DA5B402...

Per: Dennis Wiebe

Dentons Canada LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 (416) 863 4475

cc: Andrew O'Coin

Royal Bank of Canada, Senior Director, Special Loans & Advisory Services

and cc: Almex Peru S.A.C.

Almex de Fusion Mexico S. de R.L. de C.V.

Shaw Almex Pacific Pty Ltd. Shaw Almex Africa Propriety Ltd. PT. Shaw Almex Indonesia

Shaw Almex Deutschland GmbH

Almex Holdings, Inc. Shaw Almex Fusion, LLC Shaw Almex Europe B.V. Shaw Almex Zambia Limited

Shaw Almex Mine Equip (Tianjin) Co., Ltd.

Shaw Almex Chile SpA

Shaw-Almex Brazil Holdings Inc. Almex Industria do Brasil Limitada

Fonmar Group, S.L.

Tim Shaw

Genivaldo Alves, CFO Andrew Hustrulid, COO Greg Sloan, Advisor

Encl.

THIS IS EXHIBIT "AA" REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN

essica Withmann

LSO # 72442W

Eric Golden D: 416-593-3927 F: 416-596-2049 egolden@blaney.com

March 28, 2025

BY REGULAR MAIL & REGISTERED MAIL

Shaw-Almex Industries Limited 323 Glover Road Stoney Creek, ON L8E 5M2

Shaw-Almex Industries Limited c/o Timothy G. Shaw 323 Glover Road Stoney Creek, ON L8E 5M2

Dear Sir:

Re: Business Development Bank of Canada & Shaw-Almex Industries Limited ("Shaw-Almox")

Mortgaged Property: 17 Shaw Almex Drive, Parry Sound, ON

Loan 224175-01

We are lawyers for Business Development Bank of Canada ("BDC").

We refer to the Letter of Offer dated December 17, 2021, as amended by amending letter dated March 22, 2024, pursuant to which BDC established a loan for \$2,000,000 in favour of Shaw-Almex (the "Loan").

The amortization period of the Loan was for 20 years, with monthly straight-line principal payments of \$8,330.00 plus interest. The current interest rate under the Loan is 5.85% (being the BDC's Floating Base Rate of 7.05% minus a variance of 1.20%).

The Loan is secured by way of, among other things:

- a. a first ranking mortgage in the principal amount of \$2,000,000.00, granted by Shaw-Almex to BDC over the property municipally known as 17 Shaw Almex Drive, Parry Sound, Ontario, legally described as PIN 52183-0395 in LRO #42 (the "Shaw Almex Property"), and registered in Land Titles Division of Parry Sound (the "Registry Office") as Instrument No. GB150129 on or about January 7, 2022 (the "Shaw Almex Mortgage");
- b. a General Assignment of Rents over the Shaw Almex Property, registered as Instrument No. GB150130 in the Registry Office on or about January 7, 2022 (the "GAR"); and
- c. a General Security Agreement between BDC and Shaw-Almex dated December 29, 2021, over all of Shaw-Almex's assets and undertakings (the "GSA").

As you know, the Loan is in default.

As of March 28, 2025, Shaw-Almex is indebted to BDC for \$1,823,340.28, in respect of principal and interest arrears under the Loan (excluding legal fees and costs).

In addition, BDC has become aware that Shaw-Almex is subject to three writs of execution emanating from judgments in Court File No. SC-24-0000200-0000, CV-24-00002904-0000, and CV-24-00726128-0000, respectively (the "Writs"). The total amount owing pursuant to the Writs is \$458,876.57. The Writs each constitute an event of default pursuant to the terms of the Loan, the Shaw Almex Mortgage, and the GSA.

Further, despite repeated requests in letters dated June 19, 2023, October 27, 2023, July 2, 2024, and October 16, 2024, Shaw-Almex has failed to provide BDC with: (1) confirmation from external auditors that there has been no non-trade transfer between Shaw-Almex and its Corporate Guarantors for the 2022 and 2023 fiscal period, and (2) Shaw-Almex's consolidated annual audit financial statements for the 2022 and 2023 fiscal period (collectively, the "Financial Documentation"). The failure to remit the Financial Documentation to BDC constitutes an additional event of default pursuant to the terms of the Loan, the Shaw Almex Mortgage, and the GSA.

Finally, BDC has become aware that Shaw-Almex is in default under the terms of certain loans granted by BDC Capital Inc. and the Royal Bank of Canada ("RBC"), respectively.

On November 28, 2024, RBC made demand for payment of a loan in the principal amount of \$15,408,228.00, plus interest, and a loan in the principal amount of \$683,370.70, plus interest, granted by RBC in favour of Shaw-Almex (the "**RBC Loan**").

Additionally, on December 12, 2024, BDC Capital Inc. made demand for payment of a loan in the principal amount of \$3,394,040.00, plus interest, granted by BDC Capital Inc. in favour of Shaw Almex (the "Capital Loan").

The defaults under the RBC Loan and the Capital Loan constitute additional events of default pursuant to the terms of the Loan and the Mortgage.

On behalf of our client, and in accordance with the terms of the Loan, the Shaw Almex Mortgage, the GAR, and the GSA, we hereby make demand on you for payment to our client of \$1,823,340.28, plus interest accrued from March 29, 2025, and legal costs. The *per diem* rate is \$290.74.

If you fail to comply with this demand on or before **April 7, 2025**, we will take whatever steps we deem necessary to protect our client's interests without further notice. In this regard, we enclose a Notice pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*.

Yours very truly,

Blaney McMurtry LLP

Eric Golden EG/kv

Encl.

THIS IS EXHIBIT "BB" REFERRED TO IN THE

AFFIDAVIT OF ANDREW HUSTRULID SWORN REMOTELY BY ANDREW HUSTRULID STATED AS BEING LOCATED IN THE CITY OF BONITA SPRINGS, FLORIDA USA BEFORE ME AT THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO THIS 8TH DAY OF MAY 2025, IN ACCORDANCE WITH O. REG 431/20, ADMINISTERING OATH OR DECLARATION REMOTELY

essica Withmann

A COMMISSIONER FOR TAKING AFFIDAVITS JESSICA WUTHMANN LSO # 72442W

SALE AND INVESTMENT SOLICITATION PROCESS

Recitals

- A. On March 29, 2025, Shaw-Almex Industries Limited ("**SAIL**") filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**NOI Proceedings**"). FTI Consulting Canada Inc. ("**FTI**") was appointed as proposal trustee (the "**Proposal Trustee**").
- B. On April 25, 2025, the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an Order which: (i) extended the time to file a proposal with the Official Receiver in the NOI Proceedings; (ii) granted a charge over all of the property, assets and undertakings (the "Property") of SAIL in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to SAIL in the amount of \$350,000; and (iii) approved an interim financing facility term sheet extended by Royal Bank of Canada (the "DIP Lender") in the maximum principal amount of \$1,000,000 (as amended, the "DIP Facility") and granted a corresponding charge over the Property (the "DIP Charge") in favour of the DIP Lender in order to secure the obligations of SAIL under the DIP Facility (the "Proposal Order").
- C. On May 13, 2025, the NOI Proceedings were continued under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and the Court granted an initial order (the "Initial Order") which, among other things, (i) granted CCAA protection (the "CCAA Proceedings") to SAIL as well as its indirect subsidiary, Shaw Almex Fusion. LLC (collectively, the "Company"); (ii) terminated the NOI Proceedings provided that, notwithstanding the conversion of the NOI Proceedings, the approval of the DIP Facility and DIP Charge pursuant to the Proposal Order granted in the NOI Proceedings would continue to apply in the CCAA Proceedings; (iii) appointed FTI as monitor in the CCAA Proceedings (in such capacity, the "Monitor"); and (iv) approved an amended and restated interim financing facility term sheet extended by the DIP Lender pursuant to which the DIP Lender would extend a maximum principal amount of \$1,800,000; and (v) approved the granting of a DIP Charge to secure the obligations under the DIP Facility.
- D. On May 13, 2025, the Court granted an order (the "SISP Order") authorizing the Monitor, with the assistance of the Company, to undertake a sale and investment solicitation process ("SISP"). The SISP is intended to canvass the market and solicit interest in, and opportunities for, a sale of, investment in or recapitalization of, all or part of the Company, its Property, including their wholly owned subsidiaries, and business operations (the "Business") in accordance with the procedures, terms and conditions set out herein (the "SISP Procedures").
- E. The SISP Procedures set out the manner in which: (i) bids and proposals for a broad range of executable transaction(s), including, without limitation, a sale of the Property, a restructuring or recapitalization involving the Business, as more particularly described in the Teaser Letter (as defined herein), whether *en bloc* or piecemeal, will be solicited from interested parties; (ii) bids received will be negotiated; (iii) Successful Bid(s), if any, will be selected; and (iv) the Court's approval of any Successful Bid(s) will be sought.

- F. The SISP Order, the SISP Procedures, and any other orders of the Court made in the CCAA Proceedings relating to the SISP shall exclusively govern the process for soliciting and selecting bids for the sale of the Property or investment in the Business pursuant to a broad range of executable transaction alternatives.
- G. Unless otherwise stated or unless the subject matter or context otherwise requires, the capitalized terms used in the SISP Procedures have the meaning ascribed to them herein.

Conduct of the SISP

- 1. The SISP will be carried out by the Monitor, with the assistance of the Company, and in consultation with the DIP Lender. Unless otherwise provided for herein, and in accordance with the SISP Order, the Monitor is fully and exclusively authorized, empowered and directed to take any and all actions and steps pursuant to the SISP, subject to the terms and conditions contained herein.
- 2. The Monitor, with the assistance of the Company, shall be responsible for contacting Prospective Bidders, communicating with Prospective Bidders as well as Qualified Bidders, Authorized Bidders, the Backup Bidder and the Successful Bidder (each as defined herein and collectively, "Bidders" and each, a "Bidder"), negotiating with Bidders, providing them with the Teaser Letter, coordinating the execution of any means a form of a non-disclosure agreement satisfactory to the Monitor (the "Confidentiality Agreement"), managing the process of answering all reasonable inquiries from Prospective Bidders and Bidders and arranging for visits, when applicable, by Bidders.
- 3. The Monitor, in consultation with the Company and the DIP Lender, shall review and assess all LOIs as well as all Phase II Bids, Aggregated Bids, Backup Bids and Successful Bids (each as defined herein and collectively, "Bids", each a "Bid").
- 4. At any time during the SISP, the Monitor may consult with the Company, the DIP Lender and such parties as it considers appropriate in respect of the conduct of the SISP.
- 5. After the issuance of the SISP Order, the Monitor may at any time and from time to time and in consultation with the Company and with the approval of the DIP Lender, modify, amend, vary or supplement the SISP or the SISP Procedures, without the need for obtaining an order of the Court or providing notice to any Bidders, provided that the Monitor determines that such modification, amendment, variation or supplement would not have a material impact on the implementation of the SISP and is necessary or useful in order to give effect to the substance of the SISP, the SISP Procedures or the SISP Order. The Monitor shall post on the Monitor's Website, as soon as possible, any such modification, amendment, variation or supplement to the SISP Procedures and inform Prospective Bidders and Bidders reasonably impacted by any such modification, amendment, variation or supplement to the SISP Procedures (each as defined below)
- 6. The Monitor may, at any time and on notice to the service list in the CCAA Proceedings as posted on the Monitor's website, as it may be updated from time to time (the **"Service List"**), apply to the Court for directions in connection with the implementation of the SISP or the SISP Procedures.
- 7. Notwithstanding anything else contained herein, any shareholder, director or officer of the Company (a "**Related Person**") that desires to submit or participate in the SISP must

declare such intention to the Monitor in writing. Until any Related Person declares that they will not submit a bid in the SISP, all consultation and consent rights herein shall be paused and the Monitor may place such limitations on the consultation and consent rights contained herein as they may consider appropriate, so as to ensure and preserve the integrity of the SISP.

Solicitation of Interest

- 8. To facilitate the due diligence by Prospective Bidders, the Monitor, with the assistance of the Company has:
 - (a) compiled a listing (the "Contact List") of prospective purchasers and investors (collectively, "Prospective Bidders").
 - (b) sent to each Prospective Bidder teaser materials, including a solicitation letter summarizing the acquisition and investment opportunity with respect to the Business and Property (the "Teaser Letter");
 - (c) set up an electronic data room with confidential information in respect of the Business and Property (the "**Data Room**");
 - (d) sent and will continue to send to each Prospective Bidder, a form of Confidentiality Agreement and written acknowledgement of receipt of the SISP Procedures wherein such Prospective Bidder agrees to accept and be bound by the provisions of the SISP Procedures (the "Written Acknowledgement"). Prospective Bidders are required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room). For greater certainty, only Prospective Bidders who submit an executed Confidentiality Agreement and Written Acknowledgement shall be granted access to the Data Room and management presentations, if available; and
 - (e) prepared the form of a template asset purchase agreement (the "**Template APA**") to be used by Prospective Bidders in submitting a Sale Proposal and post same in the Data Room.
- 9. The Monitor, in consultation with the Company, reserves the right to limit any Prospective Bidder's or Bidder's access to any confidential information (including any information in the Data Room) where, in the Monitor's sole discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Business or the value of the Property.
- 10. Any and all requests for additional information are to be made to the Monitor.

Sale or Investment Opportunities

- 11. Bidders will have the opportunity to submit a bid in the form of either a Sale Proposal or an Investment Proposal (each as defined below). Sale Proposals and Investment Proposals may be in respect of only some of the Property and any such proposal will not be precluded from consideration as an acceptable Bid.
- 12. In the event of an offer to acquire all or part of the Property (a "Sale Proposal"), all of the

Company's relevant right, title and interest in and to the Property may be acquired pursuant to an approval and vesting order of the Court, including pursuant to a reverse vesting order if necessary and appropriate, free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interest thereon, except to the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder.

13. In the event of an offer for a broad range of executable transaction alternatives (restructuring, recapitalization, and/or refinancing) involving an investment in the Company (a "**Investment Proposal**") for any or all of the Business, same can be implemented by way of a combined Plan and Arrangement.

"As is, Where is"

- 14. Any Bid by way of a Sale Proposal or Investment Proposal shall be made on an "as is, where is" basis, without surviving representations or warranties of any kind or nature.
- 15. The Company and the Monitor are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder or Bidder in connection with the Business or Property. The Company, the Monitor and their advisors, as applicable, do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder or Bidder including any information contained in the Teaser Letter or Data Room.

Submission of Non-Binding Letters of Intent & Other Participation Requirements

- 16. Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Qualified Bidder, a Prospective Bidder must deliver to the Monitor, so as to be received by the Monitor no later than May 22, 2025 at 5:00 p.m. (Toronto time), or such later date or time as the Monitor, in consultation with the Company and approved by the DIP Lender, may determine appropriate (the "LOI Deadline") a non-binding letter of intent (an "LOI") which:
 - (a) specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or an Investment Proposal as well as the information required by paragraph 17 herein;
 - (b) has been duly executed by all required parties;
 - (c) is received before the LOI Deadline; and
 - (d) includes a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and the contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction, and full disclosure of the direct and indirect owners of the Prospective Bidder and their principals, and a description of the Prospective Bidder's plans regarding the business of the Company.
- 17. An LOI in respect of a Sale Proposal or Investment Proposal must:

- (a) include an acknowledgement that the Sale Proposal or Investment Proposal will be made on an "as is, where is" basis;
- (b) include a detailed description of any remaining due diligence required by the Prospective Bidder to be completed;
- (c) describe any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such conditions, along with information sufficient for the Monitor, in consultation with the Company, to determine the reasonableness of such conditions;
- (d) provide written evidence, satisfactory to the Monitor, in consultation with the Company, of the Prospective Bidder's ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital and, to the extent that the Prospective Bidder expects to finance any portion of the Purchase Price, the identity of the financing source;
- (e) include confirmation that the Prospective Bidder will be responsible for its own costs incurred in connection with its investigation of the Company and any transaction, including those of its advisors, attorneys, and agents;
- (f) provide that the Qualified Bidder will comply with the proposed Target Closing Date (as defined herein);
- (g) include any other terms and conditions which the Prospective Bidder believes are material to the transaction;
- (h) include that the LOI is governed by the laws of the Province of Ontario and the laws of Canada, applicable therein; and
- (i) include such other information reasonably requested by the Monitor in consultation with the Company and the DIP Lender.
- 18. In addition to the requirements set out in paragraph 17 herein, an LOI in respect of a Sale Proposal must include:
 - (a) a detailed listing and description of the Property to be included in the Sale Proposal and a detailed listing of the Property to be excluded from the Sale Proposal;
 - (b) the low and high range of the proposed Purchase Price for such Sale Proposal, the proposed allocation of Purchase Price among the applicable Property and an explanation of what contingencies and variables may influence the range in which the final Purchase Price will fall (each as defined herein);
 - (c) details as to the Purchase Price for all or part of the Property subject to the Sale Proposal;

- (d) a list of the key material contracts and leases, if any, the Prospective Bidder wishes to acquire and the Prospective Bidder's proposed treatment of any related "cure costs":
- (e) whether the proposed transaction is to be implemented by way of a "approval and vesting order" or a "reverse vesting order"; and
- (f) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder's estimated value of such assumed liabilities.
- 19. In addition to the requirements set out in paragraph 17 herein, an LOI in respect of an Investment Proposal must include:
 - (a) a description of the structure of the Investment Proposal;
 - (b) a description of the type and amount of consideration to be allocated to secured creditors, unsecured creditors and shareholders of the Company;
 - (c) the proposed treatment of the Company's stakeholders; and
 - (d) a description of any liabilities to be assumed by the Prospective Bidder's estimated value of such assumed liabilities.
- 20. For greater certainty, the Monitor shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI or with respect to any of the other requirements of paragraphs 16, 17, 18, and 19 above, and the Monitor may accept a revised and/or clarified LOI, provided that the initial LOI was received prior to the LOI Deadline.

Identification of Qualified Bidders

- 21. The Monitor and the Company, in consultation with the DIP Lender, shall review and consider each LOI and the other materials submitted by a Prospective Bidder and if: (i) the LOI meets requirements specified in paragraphs 16, 17, and 18, or 19; (ii) it is determined that it will be in the best interests of the Company and its stakeholders to permit the Prospective Bidder to continue to participate in the SISP based upon the terms set out in the applicable LOI; and (iii) such Prospective Bidder's financial information and credit support or enhancement demonstrate to the satisfaction of the Monitor the capability of such Prospective Bidder to consummate a transaction and that such Prospective Bidder is likely (based on availability of financing, experience and other considerations) to consummate either a Sale Proposal or an Investment Proposal, such Prospective Bidder shall constitute a "Qualified Bidder".
- 22. The determination by the Company and the Monitor as to whether a Prospective Bidder is a Qualified Bidder will be made as promptly as practicable, in consultation with the DIP Lender, after such Prospective Bidder has satisfied the requirements described in paragraph 16, 17 and 18 or 19, as applicable, and any clarification that may be sought by the Monitor pursuant to paragraph 20 and in any event prior to **May 26, 2025 at 5 p.m**. If it is determined that a Prospective Bidder is a Qualified Bidder, the Monitor will promptly notify the Prospective Bidder that it is a Qualified Bidder.

Due Diligence

- 23. Each Qualified Bidder shall have such access to due diligence materials and information relating to the Business and Property as the Monitor, in consultation with the Company, deems appropriate.
- 24. At the discretion of the Monitor, in consultation with the Company, due diligence access may include presentations (as may be scheduled by the Monitor), access to the Data Room, on-site inspections and such other matters as a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment, deems appropriate. The Monitor shall not be obligated to furnish any due diligence materials or information after the Bid Deadline.
- 25. Unless otherwise agreed in writing by the Monitor, no Prospective Bidder or Bidder shall be permitted to have any discussions with any counterparty to any contract with the Company or with any regulatory authority responsible for the Company or any other Prospective Bidder or Bidder in connection with any bid submitted in accordance with the terms hereof or in contemplation thereof.

Submission of Qualified Bids

- 26. In order to continue participation in the SISP, a Qualified Bidder must deliver a Qualified Purchase Bid or Qualified Investment Bid (each as defined below) to the Monitor and such bids must be received by the Monitor by no later than June 12, 2025 at 5:00 p.m. (Toronto time), or at such later date or time as the Monitor, in consultation with the Company and approved by the DIP Lender and in accordance with the SISP Procedures, may determine appropriate (the "Bid Deadline").
- 27. A Sale Proposal submitted by a Qualified Bidder will be considered a "Qualified Purchase Bid" only if the Sale Proposal complies with all of the following:
 - (a) it includes a letter stating that the Sale Proposal is irrevocable until 25 business days, meaning any day other than a Saturday or Sunday or a day which is a statutory holiday in Toronto, Ontario ("Business Day"). Business Days following the Bid Deadline; provided, however, that if such Sale Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the closing of the Successful Bid or the Backup Bid, as the case may be;
 - (b) it includes a duly authorized and executed purchase and sale agreement, together with a markup outlining and highlighting all proposed changes from the Template APA, specifying the purchase price, expressed in Canadian dollars, including the cash component thereof and/or the liabilities to be assumed by the Bidder (or the combination of both the "Purchase Price"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements) and such ancillary agreements;
 - (c) it contains a detailed listing and description of the Property to be included in the Sale Proposal or a detailed listing of the Property to be excluded from the Sale Proposal, as well as the value and breakdown of the allocation of the Purchase

Price;

- (d) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Sale Proposal;
- (f) it is not conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing, and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Sale Proposal;
- (g) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (h) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its Sale Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets and/or liabilities to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Company or the Monitor, except as expressly stated in the purchase and sale agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its Sale Proposal; and (iv) has had the benefit of independent legal advice in connection with its Sale Proposal;
- it includes evidence, in form and substance reasonably satisfactory to the Monitor of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
- (j) it is accompanied by a refundable deposit (the "Deposit") in the form of a wire transfer (to a trust account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of FTI Consulting Canada Inc. in trust, in an amount equal to 10% of the proposed gross Purchase Price, to be held and dealt with in accordance with the SISP Procedures;
- (k) it contains full details of the proposed number of employees of the Company who will become employees of the Qualified Bidder and the proposed terms and conditions of employment to be offered to those employees;

- (I) it includes an acknowledgement and representation that the Qualified Bidder will assume the obligations of the Company under executory contracts, unexpired leases, and licenses proposed to be assigned (or identifies clearly the particular contracts, leases, and licenses of the Company, as applicable, that the Qualified Bidder wishes not to assume, or alternatively wishes to assume), contains full details of the Qualified Bidder's proposal for the treatment of related cure costs; and which the assumption of which is a condition of closing;
- (m) to the extent not addressed elsewhere, it includes the proposed treatment of stakeholders;
- it provides for the closing of the Qualified Purchase Bid by no later than July 4,
 2025, or such later date or time as the Monitor, in accordance with the SISP Procedures, may determine appropriate (the "Target Closing Date");
- (o) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor and names the Company as a thirdparty beneficiary of any such commitment letter with recourse by the Company and the Monitor against such parent entity or sponsor;
- (p) it includes evidence, in form and substance reasonably satisfactory to the Monitor of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (q) it contains other information reasonably requested by the Monitor in consultation with the Company and the DIP Lender;
- (r) it is governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (s) it is received by no later than the Bid Deadline.
- 28. An Investment Proposal submitted by a Qualified Bidder will be considered a "Qualified Investment Bid" only if the Investment Proposal compiles with all of the following:
 - (a) it includes a letter stating that the Investment Proposal is irrevocable for a period of 25 Business Days following the Bid Deadline; provided, however, that if such Investment Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the earlier of: (i) the closing of the Successful Bid or the Backup Bid, as the case may be; and (ii) the outside date stipulated in the Successful Bid or the Backup Bid, as applicable;
 - (b) it includes duly authorized and executed binding definitive documentation setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and/or debt investment and details regarding the proposed equity and/or debt structure of the Company, if applicable, following completion of the proposed transaction (a "Definitive Investment Agreement");

- (c) it includes a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of the Company;
- (d) it does not include a request or entitlement to a break-fee, expense reimbursement or any other similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Investment Proposal;
- (f) it is not conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing capital, and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Investment Proposal;
- (g) it fully discloses the identity of each entity that is bidding or that is sponsoring or participating in the Investment Proposal, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (h) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its Investment Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the Company or the completeness of any information provided in connection therewith, including by the Company and the Monitor, except as expressly stated in the Definitive Investment Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Investment Proposal; and (iv) has had the benefit of independent legal advice in connection with its Investment Proposal;
- (i) it includes evidence, in form and substance reasonably satisfactory to the Monitor, or authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Investment Proposal;
- (j) it is accompanied by a Deposit in the form of a wire transfer (to a trust account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of *FTI Consulting Canada Inc.*, in trust, in an amount equal to 10% of the total proposed investment, to be held and dealt with in accordance with the SISP Procedures;
- (k) it provides for closing of the Qualified Investment Bid by no later than the Target Closing Date;

- (I) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the Investment Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, and satisfactory to the Monitor, that names the Company as a third-party beneficiary of any such commitment letter with recourse by the Company and the Monitor against such parent entity or sponsor;
- (m) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (n) it contains other information reasonably requested by the Monitor;
- (o) it is governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (p) it is received by no later than the Bid Deadline.
- 29. For greater certainty, Sale Proposals and Investment Proposals may be in respect of only a part or parts of the Business or Property and such proposal shall constitute a "Qualified Portion Bid" if it satisfies the requirements in paragraph 27 or 28 herein, as applicable, in respect of the Business or Property subject to such proposal, and in such case, such Bidder shall constitute a "Qualified Portion Bidder". Each Qualified Portion Bid shall be deemed to be a Phase II Bid, and each Qualified Portion Bidder shall be deemed to be a Qualified Bidder, for all purposes of the SISP.

PHASE II BIDS

- 30. Qualified Purchase Bids and Qualified Investment Bids shall hereinafter together be referred to as **"Phase II Bids"** and each a **"Phase II Bid"** and each Bidder who has submitted a Phase II Bid shall hereinafter be referred to as an **"Authorized Bidder"**.
- 31. Notwithstanding paragraphs 27 and 28, the Monitor, in consultation with the Company and the DIP Lender, may waive compliance with any one or more of the Phase II Bid requirements specified herein, and deem such non-compliant bids to be Qualified Purchase Bids or Qualified Investment Bids, as the case may be.

ASSESSMENT OF PHASE II BIDS

- 32. The Monitor and the Company, in consultation with the DIP Lender, will review and assess the Phase II Bids in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following criteria (the "Sale Proposal Bid Criteria"):
 - (a) the Purchase Price and net value (including all assumed liabilities and other obligations to be performed by the Authorized Bidder) provided by such Phase II Bid and the proposed allocation of the Purchase Price among the applicable Property;
 - (b) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the Sale Proposal;

- (c) the claims, if any, likely to be created against the Company by the transaction contemplated by the Sale Proposal, relative to alternatives available to the Company;
- (d) the nature and amount of debt and other liabilities to be assumed or acquired by the Authorized Bidder;
- (e) the proposed revisions to the Template APA and the terms of the proposed sale transaction documents:
- (f) the Property included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the Property;
- (g) any transition services required from the Company post-closing and any related restructuring costs;
- (h) the planned treatment of stakeholders; and
- (i) other factors affecting the speed, certainty and value of the Sale Proposal (including any regulatory approvals and other conditions required to close the Sale Proposal by the applicable Target Closing Date), including the likelihood of closing the Sale Proposal on or before the applicable Target Closing Date.
- 33. The Monitor and the Company, in consultation with the DIP Lender, will review and assess the Phase II Bids in respect of an Investment Proposal, and in making such assessment will consider among other things, the following criteria (the "Investment Proposal Bid Criteria"):
 - (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors; unsecured creditors and shareholders of the Company and the planned treatment of such persons under the proposed Investment Proposal;
 - (b) the firm, irrevocable commitment for financing the investment or other evidence of ability to consummate the Investment Proposal;
 - (c) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of a Plan, if needed;
 - (d) the estimated number of employees of the Company that will be offered postclosing employment by the Bidder and any proposed measures associated with their continued employment;
 - (e) the transition services required from the Company post-closing and any related tasks;
 - (f) the planned treatment of stakeholders; and
 - (g) other factors affecting the speed, certainty and value of the Investment Proposal (including any regulatory approval and other conditions required to close the Investment Proposal by the applicable Target Closing Date), including the

likelihood of closing the Investment Proposal on or before the applicable Target Closing Date.

- 34. For greater certainty, the Monitor, in consultation with the Company and the DIP Lender, shall be entitled, either prior to or following the Bid Deadline, to seek to clarify the terms of Phase II Bid and the Monitor may accept a revised and/or clarified Phase II Bid provided that the initial Phase II Bid was received prior to the Bid Deadline.
- The Monitor in consultation with the Company and with the approval of the DIP Lender, may waive compliance with any one or more of the requirements specified in paragraph 27 or 28, as applicable and deem any non-compliant Bid to be a Phase II Bid.
- 36. The Monitor and the Company shall apply the Sale Proposal Bid Criteria and Investment Proposal Bid Criteria, as applicable, and consider each Phase II Bid upon its submission for determination. Such determination will be made as promptly as practicable after the Bid Deadline.
- 37. If the Company, in consultation with the Monitor and the DIP Lender, determines that any Phase II Bid was received that is in the best interests of the Company's stakeholders (or any combination of non-overlapping Qualified Portion Bids was received that is in the best interests of the Company's stakeholders), the Company, in consultation with the Monitor and the DIP Lender, may choose to accept such Phase II Bid (in which case, such Phase II Bid shall be a "Successful Bid" and the Authorized Bidder making the Successful Bid shall be a "Successful Bidder") and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the Company, in consultation with the Monitor and the DIP Lender, may accept a combination of non-overlapping Qualified Portion Bids (collectively, an "Aggregated Bid") to create one Successful Bid and in such case, the applicable Authorized Bidders will become "Successful Bidders".
- 38. The Monitor, with the consent of the DIP Lender and in consultation with the Company, may at any time (including prior to or during any Auction (as defined below)), in accordance with the terms herein: (a) reject any Bid that is: (i) inadequate or insufficient; and/or (ii) not in conformity with the requirements of the CCAA, the SISP Procedures or any orders of the Court applicable to the Company; (b) accept Phase II Bids not in conformity with the SISP Procedures that are determined to be more favourable; (c) extend the Bid Deadline, and/or change the Auction Date (as defined herein); and/or (d) reject all Phase II Bids. For greater certainty, the Company shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid shall be entirely in the discretion of the Company, in consultation with the Monitor and the DIP Lender.

Auction

39. If the Monitor, in consultation with the Company and the DIP Lender, determine that more than one Phase II Bids (and/or more than one Aggregated Bid) should be considered, then the Monitor <u>may. without being obligated to do so</u>, conduct an auction (the "Auction"), to determine the highest and/or best Sale Proposal or Investment Proposal or Aggregated Bid.

- 40. If an Auction is to be conducted pursuant to paragraph 39, the Auction shall commence on a date as the Monitor, may determine is appropriate (the "Auction Date"). The Auction shall be conducted virtually through a platform to be determined by the Monitor or such other location as the Monitor may determine.
- 41. If there is an Auction, the Monitor, in consultation with the Company and the DIP Lender shall develop the Auction procedures. Notice of the platform or place, date and time of the Auction will be delivered to all Authorized Bidders by the Monitor not less than three (3) Business Days before the Auction Date.

Backup Bid

42. In the event a Successful Bid is accepted in accordance with paragraph 37, or further to an Auction in accordance with paragraph 41, the Company, in consultation with the Monitor and the DIP Lender, may also select any Phase II Bid or Aggregated Bid, as the case may be, as the "Backup Bid" (the Bidder of such Backup Bid, the "Backup Bidder") and take such steps as are necessary to finalize and complete an agreement for the Backup Bid with the Backup Bidder. In the event the closing of the Successful Bid accepted in accordance with paragraphs 37 or 41, as the case may be, does not occur, the Backup Bid shall, upon confirmation of the Monitor, become the Successful Bid and be dealt with as such in accordance with the SISP Procedures.

Approval Motion

- 43. After a definitive agreement(s) in respect of a Successful Bid has been finalized in accordance with the SISP Procedures, if such Successful Bid relates to the Business or Property, the Company shall apply to the Court as soon as reasonably practicable for an order approving such Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to such Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to such Successful Bid, including for the approval of any Plan(s) pursuant to the CCAA or Arrangement pursuant to the CBCA, as applicable (an "Approval Motion").
- 44. An Approval Motion will be held on a date to be scheduled by the Court and to be heard as soon as possible. The Company reserves its right, as may be necessary or appropriate, to seek to proceed on an expedited basis and abridge any notice period provided for in any Court order. An Approval Motion may be adjourned or rescheduled by the Company, in consultation with the Monitor and the DIP Lender, by an announcement of the adjourned date at an Approval Motion or by notice to the Service List and no further notice shall be required.
- 45. All Phase II Bids (other than the Successful Bid and the Backup Bid, as the case may be) will be deemed rejected at 11:59 p.m. (Toronto Time) on the Business Day after the acceptance of the Successful Bid relating to the same Business and/or Property.
- 46. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

Treatment of Deposit

- 47. If there is a Successful Bid, the Deposit (plus accrued interest) paid by a Successful Bidder whose bid is approved by the Court will be released by the Monitor and applied to the Purchase Price to be paid, or investment to be made, by such Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement.
- 48. The Deposits of Bidders not selected as a Successful Bidder or a Back Up Bidder, will be returned to such Bidders within ten (10) Business Days upon selection of the Back Up Bid and/or Successful Bid. If there is no Successful Bid with respect to the Business or the Property, subject to the following paragraph 49, all Deposits with respect to such Business or Property will be returned to all Bidders with respect to that Business or Property, within ten (10) Business Days of the date on which the SISP with respect to that Business or Property is terminated in accordance with the SISP.
- 49. If: (i) a Successful Bidder breaches any of its obligations under the terms of the SISP Procedures or any definitive transaction documentation; or (ii) a Bidder fails to complete the transaction contemplated by its Bid if required by the Monitor to complete such transaction; or (iii) an Authorized Bidder fails to provide proof of its ability to complete the transaction to the Monitor (other than with respect to conditions specifically provided in its Bid), within five (5) Business Days of a request to that effect from the Monitor, then, in each case, such Bidder's Deposit will be forfeited to the Company as liquidated damages and not as a penalty. The forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Company and the Monitor have or may have against such breaching entity.

Reservation of Rights and Conduct of the SISP

- 50. The SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Monitor and any Prospective Bidder and Bidder, other than as specifically set forth in a definitive agreement that any such Bidder may enter into with the Monitor.
- 51. The Monitor and the Company, with the consent of the DIP Lender, may reject, at any time any Bid that is: (i) inadequate or insufficient; (ii) not in conformity with the requirements of the SISP Procedures; or (iii) contrary to the best interests of the Company, its estate, and stakeholders as determined by the Company and the Monitor. The Monitor may accept bids not in conformity with the SISP Procedures to the extent that the Company and the Monitor, in consultation with the DIP Lender determine, in their reasonable business judgment, that doing so would benefit the Company, its estate, and stakeholders.
- 52. The Monitor, in its reasonable discretion and in consultation with the Company and the DIP Lender, may shorten the dates provided for herein or terminate the SISP if there are no credible opportunities for the conclusion of a transaction in the process.
- 53. The Monitor will at all times prior to the selection of a Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP including, without limitation, by actively soliciting participation by all persons who would be customarily identified as high-potential bidders in a process of this kind or who may be reasonably proposed by any of the Company's stakeholders as a high-potential bidder.

- 54. Prior to seeking Court approval for any transaction or bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP process, parts of which may be filed under seal, including in respect of any and all bids received.
- 55. Pursuant to the applicable Approval Motion and to the extent permitted by law, all of the rights, title and interests of the Company in and to the Property or the Business to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein (collectively, the "Claims and Interests") pursuant to the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property or Business (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant transaction documents with a Successful Bidder and the applicable Approval Motion.
- 56. Without limiting the discretion afforded to the Monitor and the Company herein, and notwithstanding the process and timeline for Qualified Bids and the continuation of the SISP into Phase 2, the Monitor and the Company, in consultation with the DIP Lender, may at any time prior to the Bid Deadline: (i) subject to Court approval, enter into a stalking horse agreement involving a transaction with respect to some or all of the Property with a party identified through the SISP or otherwise; or (ii) subject to Court approval, enter into a definitive transaction agreement with respect to a transaction involving some or all of the Property with a party identified through the SISP or otherwise and suspend or terminate the SISP.
- 57. The Company shall co-operate fully with the Monitor in the exercise of its powers and duties and discharge of its obligations under the SISP and provide the Monitor with the assistance, information and documentation that is necessary to enable the Monitor to adequately carry out the Monitor's functions herein.

Notice to the Company and the Monitor

58. Any notice or other communication to be given to the Company in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Company as follows:

To counsel to the Company:

RECONSTRUCT LLP

80 Richmond St W Suite 1700 Toronto, ON M5H 2A3

Attention:

Brendan Bissell – <u>bbisell@reconllp.com</u>
Caitlin Fell – <u>cfell@reconllp.com</u>

59. Any notice of other communication to be given to the Monitor in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Monitor as follows:

FTI CONSULTING INC.

TD South Tower 79 Wellington Street W, Suite 2010 Toronto, Ontario M5K 1G8 Canada

Attention:

Jeffrey Rosenberg – jeffrey.rosenberg@fticonsulting.com

With a copy to counsel to the Monitor

STIKEMAN ELLIOTT LLP

5300 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1B9 Canada

Attention:

Maria Konyukhova - mkonyukhova@stikeman.com

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT,* RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE TOWN OF PARRY SOUND, IN THE PROVINCE OF ONTARIO

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at TORONTO

AFFIDAVIT OF ANDREW HUSTRULID

(sworn May 8, 2025)

RECONSTRUCT LLP

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Tel: 416.613.8288

Lawyers for the Applicants

Court File No.

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE)	TUESDAY, THE 13TH
JUSTICE J. DIETRICH)	DAY OF MAY, 2025

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 COMPROMISE OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

Applicants

INITIAL ORDER

THIS MOTION, made by Shaw Almex Industries Limited ("SAIL") and Shaw Almex Fusion, LLC ("Fusion" and together with SAIL, the "Applicants"), to continue the proceedings commenced by Shaw Almex Industries Limited ("SAIL") by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA") bearing court file number BK-25-03205249-0031 (the "NOI Proceeding") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day.

ON READING the Affidavit of Andrew Hustrulid sworn May 8, 2025 and the exhibits thereto (the "Hustrulid Affidavit"), the pre-filing report of FTI Consulting Canada Inc. ("FTI") dated May •, 2025 (the "Pre-Filing Report") as the proposed monitor, and the consent of FTI to act as monitor (in such capacity, the "Monitor"), and on being advised that FTI was appointed as the proposal trustee in the NOI Proceeding (in such capacity, the "Proposal Trustee") and that

the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Royal Bank of Canada ("RBC"), and such other parties as listed on the participant information form, with no one appearing for any other person although duly served as appears from the affidavit of service of • sworn May •, 2025, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPLICATION AND CONTINUANCE UNDER THE CCAA

- 2. **THIS COURT ORDERS AND DECLARES** that the Applicants are each a debtor company to which the CCAA applies.
- 3. THIS COURT ORDERS AND DECLARES that effective May 13, 2025, the NOI Proceeding is hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to SAIL, provided that (a) nothing herein impacts the validity of any Orders made in the NOI Proceeding or any actions or steps taken by any person pursuant thereto and any and all steps, agreements and procedures validly taken, done or entered into by SAIL or the Proposal Trustee/Monitor shall remain valid and binding, except to the extent the Charges (as defined herein) are continued or amended pursuant to this Order, (b) nothing herein shall affect, vary derogate from, limit or amend, and FTI and its counsel shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee and its counsel at law or pursuant to the BIA or Order of this Court made in the NOI Proceeding or otherwise; and (c) nothing herein shall impact the validity of any steps

taken by the Proposal Trustee/Monitor with respect to the sale and investment solicitation process of the Applicants.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants 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 (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

- 5. THIS COURT ORDERS that the Applicants 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 (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. Subject to paragraph 23 hereof, the Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, 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.
- 6. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Hustrulid 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 Applicants 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 Applicants, 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 any Plan under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

- 7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether 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) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
 - (c) with the consent of the Monitor and the DIP Lender, up to the maximum amount of \$250,000 owing for goods or services actually supplied to the Applicants prior to the date of this Order if in the opinion of the Applicants and the Monitor, such payment is necessary or desirable to avoid disruption to the operations of the Business or the Property of the Applicants during the CCAA proceedings.
- 8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the

Applicants 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 Applicants following the date of this Order.
- 9. **THIS COURT ORDERS** that the Applicants 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 which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
 - (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, 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 which are attributable to or in respect of the carrying on of the Business by the Applicants.
- 10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall 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 to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.
- 11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are 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 Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

- 12. **THIS COURT ORDERS** that, subject to paragraph 23 herein, the Applicants shall subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$2,000,000 in the aggregate;
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
 - (c) pursue all avenues of refinancing of its Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' 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 and, if the landlord disputes the Applicants' 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 Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim 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 of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, 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 Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including May 30, 2025 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against or in respect of the Applicants, the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that 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**") against or in respect of the Applicants, the Monitor or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or Proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

PRE-FILING VS POST-FILING SET-OFF

18. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the

Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any person may want to make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of materials, goods and/or services, 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 Applicants, 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 Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited 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 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 Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants 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 Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

- 22. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors and Assistants shall not take any steps with respect to the Applicants, the Business or the Property, save and except under the direction of the Monitor, pursuant to paragraph 23 herein, 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.
- 23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, and without altering in any way the powers, abilities, limitations and obligations

of the Applicants within, or as a result of these proceedings, be and is hereby authorized, directed and empowered to:

- (a) conduct the sale and investment solicitation process;
- (b) exercise any powers which may be properly exercised by a board of directors of the Applicants;
- (c) cause the Applicants to terminate employees;
- (d) cause the Applicants, or any one of them, to exercise rights under and observe their obligations under paragraphs 7, 8, 9, 10, and 11 above;
- (e) cause the Applicants to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with the Property;
- (f) cause the Applicants to administer the Property and operations of the Applicants, including the control of receipts and disbursements, as the Monitor considers necessary or desirable for the purposes of completing any transaction, or for purposes of facilitating a Plan or Plans for some or all Applicants, or parts of the Business;
- (g) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of the Applicants to facilitate the performance of any ongoing obligations of the Applicants and to carry out the Monitor's duties under this Order or any other Order of this Court in this CCAA Proceeding;
- (h) propose or cause the Applicants or any one or more of them to propose one or more Plans in respect of the Applicants or any one or more of them;

- cause the Applicants to retain the services of any person as an employee,
 consultant, or other similar capacity all under the supervision and direction of the
 Monitor and on the terms as agreed with the Monitor;
- (j) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter;
- (k) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicants in the name of or on behalf of the Applicants;
- (I) claim or cause the Applicants to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which the Applicants are entitled;
- (m) consult with the Canada Revenue Agency or any other governmental authority with respect to any issues arising in respect of this CCAA proceeding;
- (n) meet and consult with the directors of the Applicants as the Monitor deems necessary or appropriate;
- (o) meet with and direct management of the Applicants with respect to any of the foregoing including, without limitation, operational and restructuring matters;
- (p) execute administrative filings as may be required on behalf of the Applicants;
- (q) monitor the Applicants' receipts and disbursements;
- (r) approve and make any funding requests under the DIP Facility;

- (s) 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;
- (t) assist the Applicants in their preparation of the Applicants' cash flow statements and reporting required in connection with the DIP Facility or the Court;
- (u) assist the Applicants, to the extent required by the Applicants, in its dissemination, to the DIP Lender and its counsel, on a timely basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (v) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (w) hold and administer creditors' or shareholders' meetings for voting on the Plan;
- 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 Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform their duties arising under this Order;
- (y) 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; and
- (z) perform such other duties as are required by this Order or by this Court from time to time,

provided, however, that the Monitor shall comply with all applicable law and shall not have any authority or power to elect or to cause the election or removal of directors of any of the Applicants or any of their subsidiaries.

- 24. **THIS COURT ORDERS** that the Applicants and their advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide the Monitor with such assistance as the Monitor may request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order or any other Order of this Court under the CCAA or applicable law generally.
- 25. **THIS COURT ORDERS** that the Monitor shall not take Possession (as defined herein) of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained Possession or control of the Business or Property, or any part thereof.
- 26. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer, or employee of the Applicants.
- 27. **THIS COURT ORDERS** that nothing in this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, 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 of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to

report or make disclosure imposed by applicable Environmental Legislation. 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 Environmental Legislation, unless it is actually in Possession.

- 28. **THIS COURT ORDERS** that, without limiting the provisions herein, all employees of the Applicants shall remain employees of the Applicants until such time as the Applicants may terminate the employment of such employees. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.
- 29. THIS COURT ORDERS that the banks and/or financial institutions that maintain the Applicants' Cash Management System (which includes, for the avoidance of doubt, each of the Applicants' bank accounts) are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicants in connection with such Cash Management System and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for or on behalf of and in the name of any of the Applicants and shall be empowered and permitted to add and remove persons having signing authority with respect to the Applicants' Cash Management System. The financial institutions maintaining such 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 in accordance with the instructions of the Monitor for and on behalf of the Applicants and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

- 30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants 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 Applicants 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 Applicants may agree.
- 31. **THIS COURT ORDERS** that, 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. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Applicants within the meaning of any relevant legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants.

ADMINISTRATION CHARGE

33. **THIS COURT ORDERS** that the Monitor, counsel to Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants as such accounts are rendered. The Monitor and its counsel shall be authorized to immediately apply any such payments made by the Applicants to their fees and disbursements

and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court. For the purposes of this paragraph, paragraphs 34 and 35, the fees and disbursements of the Monitor and its counsel shall include any fees and disbursements of the Proposal Trustee and its counsel related to the NOI Proceeding that were not approved and paid in the course of the NOI Proceeding.

- 34. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
- 35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at their standard rates and charges, 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 42 and 44 hereof.

DIP FINANCING

- 36. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from RBC (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1,800,000 unless permitted by further Order of this Court.
- 37. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the amended and restated commitment letter between the Applicants and

the DIP Lender dated as of May •, 2025 (the "Commitment Letter"), which is attached as Appendix "•" to the Pre-Filing Report.

- 38. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
- 39. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 42 and 44 hereof.
- 40. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:
 - (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease

making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP 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 Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
- 41. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

42. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000); and Second – DIP Lender's Charge (to the maximum principal amount of \$1,800,000 plus interest, fees, and costs).

43. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that 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. **THIS COURT ORDERS** that, subject to paragraph 45 of this Order, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
- 45. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, any amounts owing under the DIP Facility shall not rank in priority to the mortgage of Business Development Bank of Canada in the principal amount of \$2,000,000 and registered on title on January 7, 2022 against the real property owned by the Company located at 17 Shaw Almex Road, Parry Sound, Ontario.
- 46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges (collectively, the "**Chargees**"), or further Order of this Court.
- 47. **THIS COURT ORDERS** that the Charges, the Commitment Letter, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the DIP 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 herein; (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**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) 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 Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, 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.
- 48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The National Post* 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 or by electronic message to the e-mail addresses as last shown in Fusion's records, a notice to every known creditor who has a claim against Fusion

of more than \$1000, 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.

- THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Protocol with the following URL:https://cfcanada.fticonsulting.com/ShawAlmex/default.htm (the "Monitor's Website").
- 51. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.
- 52. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute 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 facsimile transmission to the Applicants' creditors or other interested parties at their

respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile 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.

THIS COURT ORDERS that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

CHAPTER 15 PROCEEDINGS

- 54. **THIS COURT ORDERS** that the Applicant, Fusion, is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.
- 55. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, including in the United States Bankruptcy Court (the "**Foreign Bankruptcy Court**") pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532.
- 56. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, 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 Foreign Representative, the Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

GENERAL

- 57. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
- 58. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business, or the Property.
- 59. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.
- 60. **THIS COURT ORDERS** that any interested party (including the Applicants 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.
- 61. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without any need for entry and filing.



AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants

Court File No. —

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE —)	WEEKDAY TUESDAY, THE #13TH
JUSTICE —J. DIETRICH)	DAY OF MONTHMAY, 20YR 2025

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 COMPROMISE OR ARRANGEMENT OF [APPLICANT'S NAME] (the "Applicant")SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

<u>Applicants</u>

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to MOTION, made by Shaw Almex Industries Limited ("SAIL") and Shaw Almex Fusion, LLC ("Fusion" and together with SAIL, the "Applicants"), to continue the proceedings commenced by Shaw Almex Industries Limited ("SAIL") by the filing of a notice of intention to make a proposal under Part III of the Bankruptcy and Insolvency Act, RSC 1985, c B-3, as amended (the "BIA") bearing court file number BK-25-03205249-0031 (the "NOI Proceeding") under the Companies." Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto Affidavit of Andrew Hustrulid sworn May 8, 2025 and the exhibits thereto (the "Hustrulid Affidavit"), the

Report") as the proposed monitor, and the consent of FTI to act as monitor (in such capacity, the "Monitor"), and on being advised that FTI was appointed as the proposal trustee in the NOI Proceeding (in such capacity, the "Proposal Trustee") and that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for [NAMES], the Applicants, counsel for the Monitor, counsel for the Royal Bank of Canada ("RBC"), and such other parties as listed on the participant information form, with no one appearing for [NAME] any other person although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor, May ●, 2025, filed.

SERVICE

⁺ Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).

1. **THIS COURT ORDERS** that the time for service of the Notice of Application notice of motion and the Application Record motion record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION AND CONTINUANCE UNDER THE CCAA

- 2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a Applicants are each a debtor company to which the CCAA applies.
- 3. THIS COURT ORDERS AND DECLARES that effective May 13, 2025, the NOI Proceeding is hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to SAIL, provided that (a) nothing herein impacts the validity of any Orders made in the NOI Proceeding or any actions or steps taken by any person pursuant thereto and any and all steps, agreements and procedures validly taken, done or entered into by SAIL or the Proposal Trustee/Monitor shall remain valid and binding, except to the extent the Charges (as defined herein) are continued or amended pursuant to this Order, (b) nothing herein shall affect, vary derogate from, limit or amend, and FTI and its counsel shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee and its counsel at law or pursuant to the BIA or Order of this Court made in the NOI Proceeding or otherwise; and (c) nothing herein shall impact the validity of any steps taken by the Proposal Trustee/Monitor with respect to the sale and investment solicitation process of the Applicants.

² If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

PLAN OF ARRANGEMENT

4. 3. THIS COURT ORDERS that the Applicant 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 (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

- 4. THIS COURT ORDERS that the Applicants shall remain in possession and control of itstheir current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the ""Property""). Subject to further Order of this Court, the ApplicantApplicants shall continue to carry on business in a manner consistent with the preservation of its business (the ""Business") and Property. The Applicant is Subject to paragraph 23 hereof, the Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, 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.
- 6. 5. [THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Hustrulid Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash

³ This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of 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 ApplicantApplicants 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 ApplicantApplicants, 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 theany Plan under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

- 7. 6. THIS COURT ORDERS that the Applicant Applicants shall be entitled but not required to pay the following expenses whether 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; and
 - (b) the fees and disbursements of any Assistants retained or employed by the Applicant Applicants in respect of these proceedings, at their standard rates and charges; and
 - with the consent of the Monitor and the DIP Lender, up to the maximum amount
 of \$250,000 owing for goods or services actually supplied to the Applicants prior
 to the date of this Order if in the opinion of the Applicants and the Monitor, such

payment is necessary or desirable to avoid disruption to the operations of the Business or the Property of the Applicants during the CCAA proceedings.

- 8. 7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicant 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 Applicant Applicants following the date of this Order.
- 9. 8. THIS COURT ORDERS that the Applicant Applicants shall remit, in accordance with legal requirements, or pay:
 - any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which 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; income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
 - (b) all goods and services or other applicable sales taxes (collectively, "Sales

 Taxes") required to be remitted by the Applicant Applicant in connection with

the sale of goods and services by the Applicant Applicants, 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 which are attributable to or in respect of the carrying on of the Business by the ApplicantApplicants.
- 9. THIS COURT ORDERS that until a real property lease is disclaimed [or resiliated] in accordance with the CCAA, the ApplicantApplicants shall 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 to the landlord under the lease) or as otherwise may be negotiated between the ApplicantApplicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice monthly in equal paymentsmonthly on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.
- 11. 10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is Applicants are hereby directed, until further Order of this Court: (a) to make no payments of

⁴ The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of itstheir creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of itstheir Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

- 12. 11. THIS COURT ORDERS that the Applicant shall, subject to paragraph 23 herein, the Applicants shall subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$\int \frac{1,000,000}{2}\$ in any one transaction or \$\int \frac{2,000,000}{2,000,000}\$ in the aggregate.
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
 - (c) pursue all avenues of refinancing of its Business or Property, in whole or <u>in part</u>, subject to prior approval of this Court being obtained before any material refinancing,

⁵ Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. 12. THIS COURT ORDERS that the Applicant Applicants shall provide each of the relevant landlords with notice of the Applicant's Applicants' 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 and, if the landlord disputes the Applicant's Applicants' 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 Applicant Applicants, or by further Order of this Court upon application by the Applicant Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims for resiliates Applicants disclaim 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 for resiliation of the lease shall be without prejudice to the Applicant's Applicants' claim to the fixtures in dispute. 13. THIS COURT ORDERS that if a notice of disclaimer for resiliation is delivered 14. pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer for resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant Applicants and the Monitor 24 hours! prior written notice, and (b) at the effective time of the disclaimer for 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 Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE **APPLICANT APPLICANTS** OR THE PROPERTY

15. 14. THIS COURT ORDERS that until and including [DATE MAX:May 30 DAYS], 2025 or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against or in respect of the Applicant or Applicants, the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Applicant Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. 15. THIS COURT ORDERS that 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" against or in respect of the Applicant or Applicants, the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant policiants to carry on any business which the Applicant is they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings Proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any

registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. 16. THIS COURT ORDERS that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Applicants, except with the written consent of the Applicant and the Monitor, or leave of this Court.

PRE-FILING VS POST-FILING SET-OFF

18. THIS COURT ORDERS that, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any person may want to make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

19. 17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the ApplicantApplicants or statutory or regulatory mandates for the supply of materials, goods and/or services, 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 ApplicantApplicants, 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 ApplicantApplicants, and that the ApplicantApplicants shall be entitled to the continued use of itstheir current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ApplicantApplicants in accordance with normal payment practices of the ApplicantApplicants or such other practices as may be agreed upon by the supplier or service provider and each of the ApplicantApplicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. 18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leaseleased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person 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 ApplicantApplicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.6

⁶ This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. 19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ApplicantApplicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ApplicantApplicants 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 ApplicantApplicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ApplicantApplicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, ⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$•, as security for the indemnity provided in

⁷ The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.

⁸ Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.

paragraph [20] of this Order. The Directors' Charge shall have the priority set out in paragraphs [38] and [40] herein.

22. THIS COURT ORDERS that, 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 Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' 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 [20] of this Order.

APPOINTMENT OF MONITOR

- 22. 23.—THIS COURT ORDERS that [MONITOR'S NAME]FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the businessBusiness and financial affairs of the ApplicantApplicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and itsApplicants and their shareholders, officers, directors,—and Assistants shall advisenot take any steps with respect to the Applicants, the Business or the Property, save and except under the direction of the Monitor—of all material steps taken by the Applicant, pursuant to this Order, paragraph 23 herein, 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 Monitor's functions.
- 23. 24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is herebyand without altering in any way the powers, abilities, limitations and obligations of the Applicants within, or as a result of these proceedings, be and is hereby authorized, directed and empowered to:
 - (a) <u>conduct the sale and investment solicitation process;</u>

- (b) exercise any powers which may be properly exercised by a board of directors of the Applicants;
- (c) <u>cause the Applicants to terminate employees;</u>
- <u>(d)</u> <u>cause the Applicants, or any one of them, to exercise rights under and observe</u> <u>their obligations under paragraphs 7, 8, 9, 10, and 11 above;</u>
- (e) cause the Applicants to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with the Property;
- <u>cause the Applicants to administer the Property and operations of the Applicants, including the control of receipts and disbursements, as the Monitor considers necessary or desirable for the purposes of completing any transaction, or for purposes of facilitating a Plan or Plans for some or all Applicants, or parts of the Business;</u>
- (g) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of the Applicants to facilitate the performance of any ongoing obligations of the Applicants and to carry out the Monitor's duties under this Order or any other Order of this Court in this CCAA Proceeding;
- (h) propose or cause the Applicants or any one or more of them to propose one or more Plans in respect of the Applicants or any one or more of them;
- <u>cause the Applicants to retain the services of any person as an employee,</u>

 <u>consultant, or other similar capacity all under the supervision and direction of the</u>

 Monitor and on the terms as agreed with the Monitor;
- <u>apply to this Court for any orders necessary or advisable to carry out its powers</u>

 <u>and obligations under this Order or any other Order granted by this Court</u>

 including for advice and directions with respect to any matter;

- (k) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicants in the name of or on behalf of the Applicants;
- <u>claim or cause the Applicants to claim any and all insurance refunds or tax</u>

 <u>refunds, including refunds of harmonized sales taxes, to which the Applicants are entitled;</u>
- (m) consult with the Canada Revenue Agency or any other governmental authority with respect to any issues arising in respect of this CCAA proceeding:
- meet and consult with the directors of the Applicants as the Monitor deems necessary or appropriate;
- (o) meet with and direct management of the Applicants with respect to any of the foregoing including, without limitation, operational and restructuring matters;
- (p) <u>execute administrative filings as may be required on behalf of the Applicants;</u>
- (q) (a) monitor the Applicant's Applicants' receipts and disbursements;
- (r) approve and make any funding requests under the DIP Facility;
- (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;
- <u>(t)</u> <u>assist the Applicants in their preparation of the Applicants' cash flow statements</u> and reporting required in connection with the DIP Facility or the Court;
- (u) (c)—assist the ApplicantApplicants, to the extent required by the ApplicantApplicants, in its dissemination, to the DIP Lender and its counsel, on a [TIME INTERVAL]timely basis of financial and other information as agreed to between the ApplicantApplicants and the DIP Lender which may be used in

these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;
 - (v) (e) advise the Applicants in its development of the Plan and any amendments to the Plan;
 - (w) (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of hold and administer 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 ApplicantApplicants, to the extent that is necessary to adequately assess the Applicant's businessApplicants' Business and financial affairs or to perform itstheir duties arising under this Order;
 - (y) (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; and
 - (z) (i) perform such other duties as are required by this Order or by this Court from time to time.

provided, however, that the Monitor shall comply with all applicable law and shall not have any authority or power to elect or to cause the election or removal of directors of any of the Applicants or any of their subsidiaries.

- 24. THIS COURT ORDERS that the Applicants and their advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide the Monitor with such assistance as the Monitor may request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order or any other Order of this Court under the CCAA or applicable law generally.
- 25. **THIS COURT ORDERS** that 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, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.
- 26. THIS COURT ORDERS that notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer, or employee of the Applicants.
- 27. 26. THIS COURT ORDERS that nothing herein contained shall require in this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, ""Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, 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 of waste or other contamination including, without limitation, the Canadian Environmental Protection Act, the Ontario Environmental Protection

Act, the Ontario Water Resources Act, or the Ontario Occupational Health and Safety Act and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possessionPossession.

- 28. THIS COURT ORDERS that, without limiting the provisions herein, all employees of the Applicants shall remain employees of the Applicants until such time as the Applicants may terminate the employment of such employees. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.
- 29. THIS COURT ORDERS that the banks and/or financial institutions that maintain the Applicants' Cash Management System (which includes, for the avoidance of doubt, each of the Applicants' bank accounts) are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicants in connection with such Cash Management System and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for or on behalf of and in the name of any of the Applicants and shall be empowered and permitted to add and remove persons having signing authority with respect to the Applicants' Cash Management System. The financial institutions maintaining such 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 in accordance with the instructions of the Monitor for and on behalf of the Applicants and/or as to the use or application of funds transferred, paid, collected

or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

- <u>30.</u> <u>27.</u> **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ApplicantApplicants and the DIP Lender with information provided by the ApplicantApplicants 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 <u>ApplicantApplicants</u> 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 <u>ApplicantApplicants</u> may agree.
- 28. THIS COURT ORDERS that, 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. THIS COURT ORDERS that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Applicants within the meaning of any relevant legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants.

ADMINISTRATION CHARGE

33. 29. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant Applicants shall be paid their reasonable fees and disbursements, in each case at

their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicant is Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a [TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$• [, respectively,] to be held by them as security for payment of Applicants as such accounts are rendered. The Monitor and its counsel shall be authorized to immediately apply any such payments made by the Applicants to their respective fees and disbursements outstanding from time to time and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court. For the purposes of this paragraph, paragraphs 34 and 35, the fees and disbursements of the Monitor and its counsel shall include any fees and disbursements of the Proposal Trustee and its counsel related to the NOI Proceeding that were not approved and paid in the course of the NOI Proceeding.

- 34. 30. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
- 35. 31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$\int_350,000\$, as security for their professional fees and disbursements incurred at the their standard 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 [38]42 and [40]44 hereof.

DIP FINANCING

- 36. 32. THIS COURT ORDERS that the Applicant is Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Facility") from RBC (the "DIP Lender") in order to finance the Applicant's Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$●1,800,000 unless permitted by further Order of this Court.
- 37. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the <u>amended and restated</u> commitment letter between the <u>Applicant Applicants</u> and the DIP Lender dated as of <u>DATE May 2025</u> (the <u>""Commitment Letter"</u>), <u>filed which is attached as Appendix "•" to the Pre-Filing Report.</u>
- 38. 34. THIS COURT ORDERS that the Applicant is Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the ""Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is Applicants are hereby authorized and directed to pay and perform all of its their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
- 39. 35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP

Lender's Lender's Charge shall not secure an obligation that exists before this Order is made.

The DIP Lender's Charge shall have the priority set out in paragraphs [38]42 and [40]44 hereof.

- 40. **36. THIS COURT ORDERS** that, notwithstanding any other provision of this Order:
 - (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon •five (5) days notice to the Applicant Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances the Applicant Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicant Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP 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 ApplicantApplicants and for the appointment of a trustee in bankruptcy of the ApplicantApplicants; and
 - the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ApplicantApplicants or the Property.

41. 37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromisePlan filed by the ApplicantApplicants under the CCAA, or any proposal filed by the ApplicantS under the Bankruptcy and Insolvency Act of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

42. 38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (together, the "Charges"), as among them, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$\int \frac{350,000}{350,000}); and

Second – DIP Lender's Charge; and

Third — Directors' Charge (to the maximum principal amount of \$\int \frac{1,800,000}{1,800,000} plus interest, fees, and costs).

43. 39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected

⁹ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

- 44. 40. THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein), subject to paragraph 45 of this Order, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, ""Encumbrances") in favour of any Person.
- 45. THIS COURT ORDERS that notwithstanding any other provision of this Order, any amounts owing under the DIP Facility shall not rank in priority to the mortgage of Business Development Bank of Canada in the principal amount of \$2,000,000 and registered on title on January 7, 2022 against the real property owned by the Company located at 17 Shaw Almex Road, Parry Sound, Ontario.
- 46. 41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the ApplicantApplicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's ChargeCharges, unless the ApplicantApplicants also obtainsobtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration ChargeCharges (collectively, the "Chargees"), or further Order of this Court.
- 47. 42. THIS COURT ORDERS that the Directors' Charge, the Administration Charge Charges, the Commitment Letter, and the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP

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 herein; (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") which binds the ApplicantApplicants, and notwithstanding any provision to the contrary in any Agreement:

- neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the ApplicantApplicants of any Agreement to which it is a party;
- (b) 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 ApplicantS entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- the payments made by the ApplicantApplicants pursuant to this Order, the Commitment Letter or the Definitive Documents, 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.

48. 43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's Applicants' interest in such real property leases.

SERVICE AND NOTICE

50.

49. 44.—THIS COURT ORDERS that the Monitor shall (i) without delay, publish in [newspapers specified by the Court] The National Post 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 or by electronic message to the e-mail addresses as last shown in Fusion's records, a notice to every known creditor who has a claim against the Applicant Fusion of more than \$1000, 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.

45. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the

"Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Websitecase website shall be established in accordance with the Protocol with the

- following URL '<a>'URL:https://cfcanada.fticonsulting.com/ShawAlmex/default.htm (the "Monitor's Website").
- <u>THIS COURT ORDERS</u> that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "Service List"). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor's Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.
- 52. 46.—THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute 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 facsimile transmission to the Applicants creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile 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.

GENERAL

47. THIS COURT ORDERS that the Applicant or Applicants, the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder and their respective counsel are at liberty to serve or distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation,

and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce*Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

CHAPTER 15 PROCEEDINGS

- 48. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptey of the Applicant, the Business or the Property. the Applicant, Fusion, is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the "Foreign Representative") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.
- 55. THIS COURT ORDERS that the Foreign Representative is hereby authorized to apply for recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, including in the United States Bankruptcy Court (the "Foreign Bankruptcy Court") pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532.
- 49. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicant Applicants, 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 Applicant Foreign Representative, the Applicants 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 Applicant Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

GENERAL

- <u>THIS COURT ORDERS</u> that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
- 58. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business, or the Property.
- 59. THIS COURT ORDERS that each of the Applicant Applicants and the Monitor be at liberty and isare 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 proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
- <u>51.</u> **THIS COURT ORDERS** that any interested party (including the <u>ApplicantApplicants</u> 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.
- 52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filling.



AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at Toronto

INITIAL ORDER

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Summary report:				
Litera Compare for Word 11.5.0.74 Document comparison done on 5/8/2025 7:29:19 PM				
Style name: Default Style				
Intelligent Table Comparison: Active				
Original DMS: nd://1377-3134-7731/1/initial model order.doc	;			
Modified DMS: nd://1387-8737-5638/4/Initial Order - Applicants - Shaw				
Almex Industries Limited et al - 00- MAY-2025.docx				
Changes:				
Add	410			
Delete	363			
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Table Insert	1			
Table Delete	0			
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Embedded Graphics (Visio, ChemDraw, Images etc.)	0			
Embedded Excel	0			
Format changes	0			
Total Changes:	774			

Court File No.

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE)	TUESDAY, THE 13TH
JUSTICE J. DIETRICH)	DAY OF MAY, 2025
)	

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 COMPROMISE OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

Applicants

SALE PROCESS APPROVAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors* Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order approving, among other things, the procedures for the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "SISP"), was heard this day.

ON READING the Affidavit of Andrew Hustrulid sworn May 8, 2025 and the exhibits thereto, the pre-filing report of FTI Consulting Canada Inc. in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**") dated May •, 2025, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other parties as listed on the participant information form, with no one appearing for any other person although duly served as appears from the affidavit of service of • sworn May •, 2025, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of this notice of motion and the motion record is hereby abridged and validated so that this notice of motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE SALE AND INVESTMENT SOLICITATION PROCESS

- 2. **THIS COURT ORDERS** that the SISP (subject to such amendments as may be made in accordance with the terms of the SISP) be and is hereby approved and the Applicants and the Monitor are hereby authorized to implement the SISP pursuant to the terms thereof.
- 3. **THIS COURT ORDERS** that the Monitor and the Applicants are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order.
- 4. **THIS COURT ORDERS** that each of the Monitor, the Applicants and their respective affiliates, partners, employees, directors, representatives, and agents shall have no liability with respect to any and all losses, claims, damages or liability, of any nature or kind, to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor or the Applicants, as applicable, in performing their obligations under the SISP, as determined by this Court.
- 5. **THIS COURT ORDERS** that in implementing the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the Initial Order dated May 13, 2025, and any other order of the Court in the within proceedings.

- 6. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the property, assets, and undertakings of the Applicants (the "**Property**") or be deemed to take possession of the Property.
- 7. **THIS COURT ORDERS** that the Applicants and the Monitor are hereby authorized to disclose to any Bidder (as defined in the SISP) any information or documentation contained in the Applicants' records (including, without limitation, confidential or commercially sensitive information or documentation) regarding the assets and/or parties with whom the Applicants transact (collectively, "**Confidential Information**"); provided that the Applicants and the Monitor shall only disclose such Confidential Information that the Applicants and the Monitor determine is reasonably necessary to permit a SISP participant to conduct the necessary due diligence with respect to a potential transaction or that is otherwise necessary to implement the SISP.

PROTECTION OF PERSONAL INFORMATION

8. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Monitor, the Applicants and their respective advisors are hereby authorized and permitted to disclose personal information of identifiable individuals ("Personal Information") to prospective bidders or offerors and to their advisors, including human resources and payroll information, records pertaining to the Applicants' past and current employees, and information on specific customers, but only to the extent desired or required to negotiate or attempt to complete a transaction in the SISP. Each prospective bidder or offeror to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each prospective bidder or offeror to whom any Personal Information is disclosed shall also limit the use of such Personal Information to its participation in the SISP.

GENERAL

- 9. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the SISP.
- 10. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.
- 11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
- 12. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Monitor, the Applicants and their respective counsel are hereby authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors (each a "SISP Participant") and to their advisors, or any interested party that the Monitor or the Applicants consider appropriate, but only to the extent required to provide information with respect to the SISP in these proceedings.

13.	THIS	COURT	ORDERS	that this	Order	and a	ıll of it	s provisions	are	effective	as	of
12:01	a.m. on	the date	of this Ord	ler withou	t any n	eed fo	entry	and filing.				

Schedule "A" SISP Procedures

[See next page.]

SALE AND INVESTMENT SOLICITATION PROCESS

Recitals

- A. On March 29, 2025, Shaw-Almex Industries Limited ("**SAIL**") filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**NOI Proceedings**"). FTI Consulting Canada Inc. ("**FTI**") was appointed as proposal trustee (the "**Proposal Trustee**").
- B. On April 25, 2025, the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an Order which: (i) extended the time to file a proposal with the Official Receiver in the NOI Proceedings; (ii) granted a charge over all of the property, assets and undertakings (the "Property") of SAIL in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to SAIL in the amount of \$350,000; and (iii) approved an interim financing facility term sheet extended by Royal Bank of Canada (the "DIP Lender") in the maximum principal amount of \$1,000,000 (as amended, the "DIP Facility") and granted a corresponding charge over the Property (the "DIP Charge") in favour of the DIP Lender in order to secure the obligations of SAIL under the DIP Facility (the "Proposal Order").
- C. On May 13, 2025, the NOI Proceedings were continued under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and the Court granted an initial order (the "Initial Order") which, among other things, (i) granted CCAA protection (the "CCAA Proceedings") to SAIL as well as its indirect subsidiary, Shaw Almex Fusion. LLC (collectively, the "Company"); (ii) terminated the NOI Proceedings provided that, notwithstanding the conversion of the NOI Proceedings, the approval of the DIP Facility and DIP Charge pursuant to the Proposal Order granted in the NOI Proceedings would continue to apply in the CCAA Proceedings; (iii) appointed FTI as monitor in the CCAA Proceedings (in such capacity, the "Monitor"); and (iv) approved an amended and restated interim financing facility term sheet extended by the DIP Lender pursuant to which the DIP Lender would extend a maximum principal amount of \$1,800,000; and (v) approved the granting of a DIP Charge to secure the obligations under the DIP Facility.
- D. On May 13, 2025, the Court granted an order (the "SISP Order") authorizing the Monitor, with the assistance of the Company, to undertake a sale and investment solicitation process ("SISP"). The SISP is intended to canvass the market and solicit interest in, and opportunities for, a sale of, investment in or recapitalization of, all or part of the Company, its Property, including their wholly owned subsidiaries, and business operations (the "Business") in accordance with the procedures, terms and conditions set out herein (the "SISP Procedures").
- E. The SISP Procedures set out the manner in which: (i) bids and proposals for a broad range of executable transaction(s), including, without limitation, a sale of the Property, a restructuring or recapitalization involving the Business, as more particularly described in the Teaser Letter (as defined herein), whether *en bloc* or piecemeal, will be solicited from interested parties; (ii) bids received will be negotiated; (iii) Successful Bid(s), if any, will be selected; and (iv) the Court's approval of any Successful Bid(s) will be sought.

- F. The SISP Order, the SISP Procedures, and any other orders of the Court made in the CCAA Proceedings relating to the SISP shall exclusively govern the process for soliciting and selecting bids for the sale of the Property or investment in the Business pursuant to a broad range of executable transaction alternatives.
- G. Unless otherwise stated or unless the subject matter or context otherwise requires, the capitalized terms used in the SISP Procedures have the meaning ascribed to them herein.

Conduct of the SISP

- 1. The SISP will be carried out by the Monitor, with the assistance of the Company, and in consultation with the DIP Lender. Unless otherwise provided for herein, and in accordance with the SISP Order, the Monitor is fully and exclusively authorized, empowered and directed to take any and all actions and steps pursuant to the SISP, subject to the terms and conditions contained herein.
- 2. The Monitor, with the assistance of the Company, shall be responsible for contacting Prospective Bidders, communicating with Prospective Bidders as well as Qualified Bidders, Authorized Bidders, the Backup Bidder and the Successful Bidder (each as defined herein and collectively, "Bidders" and each, a "Bidder"), negotiating with Bidders, providing them with the Teaser Letter, coordinating the execution of any means a form of a non-disclosure agreement satisfactory to the Monitor (the "Confidentiality Agreement"), managing the process of answering all reasonable inquiries from Prospective Bidders and Bidders and arranging for visits, when applicable, by Bidders.
- 3. The Monitor, in consultation with the Company and the DIP Lender, shall review and assess all LOIs as well as all Phase II Bids, Aggregated Bids, Backup Bids and Successful Bids (each as defined herein and collectively, "Bids", each a "Bid").
- 4. At any time during the SISP, the Monitor may consult with the Company, the DIP Lender and such parties as it considers appropriate in respect of the conduct of the SISP.
- 5. After the issuance of the SISP Order, the Monitor may at any time and from time to time and in consultation with the Company and with the approval of the DIP Lender, modify, amend, vary or supplement the SISP or the SISP Procedures, without the need for obtaining an order of the Court or providing notice to any Bidders, provided that the Monitor determines that such modification, amendment, variation or supplement would not have a material impact on the implementation of the SISP and is necessary or useful in order to give effect to the substance of the SISP, the SISP Procedures or the SISP Order. The Monitor shall post on the Monitor's Website, as soon as possible, any such modification, amendment, variation or supplement to the SISP Procedures and inform Prospective Bidders and Bidders reasonably impacted by any such modification, amendment, variation or supplement to the SISP Procedures (each as defined below)
- 6. The Monitor may, at any time and on notice to the service list in the CCAA Proceedings as posted on the Monitor's website, as it may be updated from time to time (the **"Service List"**), apply to the Court for directions in connection with the implementation of the SISP or the SISP Procedures.
- 7. Notwithstanding anything else contained herein, any shareholder, director or officer of the Company (a "**Related Person**") that desires to submit or participate in the SISP must

declare such intention to the Monitor in writing. Until any Related Person declares that they will not submit a bid in the SISP, all consultation and consent rights herein shall be paused and the Monitor may place such limitations on the consultation and consent rights contained herein as they may consider appropriate, so as to ensure and preserve the integrity of the SISP.

Solicitation of Interest

- 8. To facilitate the due diligence by Prospective Bidders, the Monitor, with the assistance of the Company has:
 - (a) compiled a listing (the "Contact List") of prospective purchasers and investors (collectively, "Prospective Bidders").
 - (b) sent to each Prospective Bidder teaser materials, including a solicitation letter summarizing the acquisition and investment opportunity with respect to the Business and Property (the "Teaser Letter");
 - (c) set up an electronic data room with confidential information in respect of the Business and Property (the "**Data Room**");
 - (d) sent and will continue to send to each Prospective Bidder, a form of Confidentiality Agreement and written acknowledgement of receipt of the SISP Procedures wherein such Prospective Bidder agrees to accept and be bound by the provisions of the SISP Procedures (the "Written Acknowledgement"). Prospective Bidders are required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room). For greater certainty, only Prospective Bidders who submit an executed Confidentiality Agreement and Written Acknowledgement shall be granted access to the Data Room and management presentations, if available; and
 - (e) prepared the form of a template asset purchase agreement (the "**Template APA**") to be used by Prospective Bidders in submitting a Sale Proposal and post same in the Data Room.
- 9. The Monitor, in consultation with the Company, reserves the right to limit any Prospective Bidder's or Bidder's access to any confidential information (including any information in the Data Room) where, in the Monitor's sole discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Business or the value of the Property.
- 10. Any and all requests for additional information are to be made to the Monitor.

Sale or Investment Opportunities

- 11. Bidders will have the opportunity to submit a bid in the form of either a Sale Proposal or an Investment Proposal (each as defined below). Sale Proposals and Investment Proposals may be in respect of only some of the Property and any such proposal will not be precluded from consideration as an acceptable Bid.
- 12. In the event of an offer to acquire all or part of the Property (a "Sale Proposal"), all of the

Company's relevant right, title and interest in and to the Property may be acquired pursuant to an approval and vesting order of the Court, including pursuant to a reverse vesting order if necessary and appropriate, free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interest thereon, except to the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder.

13. In the event of an offer for a broad range of executable transaction alternatives (restructuring, recapitalization, and/or refinancing) involving an investment in the Company (a "Investment Proposal") for any or all of the Business, same can be implemented by way of a combined Plan and Arrangement.

"As is, Where is"

- 14. Any Bid by way of a Sale Proposal or Investment Proposal shall be made on an "as is, where is" basis, without surviving representations or warranties of any kind or nature.
- 15. The Company and the Monitor are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder or Bidder in connection with the Business or Property. The Company, the Monitor and their advisors, as applicable, do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder or Bidder including any information contained in the Teaser Letter or Data Room.

Submission of Non-Binding Letters of Intent & Other Participation Requirements

- 16. Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Qualified Bidder, a Prospective Bidder must deliver to the Monitor, so as to be received by the Monitor no later than May 22, 2025 at 5:00 p.m. (Toronto time), or such later date or time as the Monitor, in consultation with the Company and approved by the DIP Lender, may determine appropriate (the "LOI Deadline") a non-binding letter of intent (an "LOI") which:
 - (a) specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or an Investment Proposal as well as the information required by paragraph 17 herein;
 - (b) has been duly executed by all required parties;
 - (c) is received before the LOI Deadline; and
 - (d) includes a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and the contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction, and full disclosure of the direct and indirect owners of the Prospective Bidder and their principals, and a description of the Prospective Bidder's plans regarding the business of the Company.
- 17. An LOI in respect of a Sale Proposal or Investment Proposal must:

- (a) include an acknowledgement that the Sale Proposal or Investment Proposal will be made on an "as is, where is" basis;
- (b) include a detailed description of any remaining due diligence required by the Prospective Bidder to be completed;
- (c) describe any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such conditions, along with information sufficient for the Monitor, in consultation with the Company, to determine the reasonableness of such conditions;
- (d) provide written evidence, satisfactory to the Monitor, in consultation with the Company, of the Prospective Bidder's ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital and, to the extent that the Prospective Bidder expects to finance any portion of the Purchase Price, the identity of the financing source;
- (e) include confirmation that the Prospective Bidder will be responsible for its own costs incurred in connection with its investigation of the Company and any transaction, including those of its advisors, attorneys, and agents;
- (f) provide that the Qualified Bidder will comply with the proposed Target Closing Date (as defined herein);
- (g) include any other terms and conditions which the Prospective Bidder believes are material to the transaction;
- (h) include that the LOI is governed by the laws of the Province of Ontario and the laws of Canada, applicable therein; and
- (i) include such other information reasonably requested by the Monitor in consultation with the Company and the DIP Lender.
- 18. In addition to the requirements set out in paragraph 17 herein, an LOI in respect of a Sale Proposal must include:
 - (a) a detailed listing and description of the Property to be included in the Sale Proposal and a detailed listing of the Property to be excluded from the Sale Proposal;
 - (b) the low and high range of the proposed Purchase Price for such Sale Proposal, the proposed allocation of Purchase Price among the applicable Property and an explanation of what contingencies and variables may influence the range in which the final Purchase Price will fall (each as defined herein);
 - (c) details as to the Purchase Price for all or part of the Property subject to the Sale Proposal;

- (d) a list of the key material contracts and leases, if any, the Prospective Bidder wishes to acquire and the Prospective Bidder's proposed treatment of any related "cure costs":
- (e) whether the proposed transaction is to be implemented by way of a "approval and vesting order" or a "reverse vesting order"; and
- (f) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder's estimated value of such assumed liabilities.
- 19. In addition to the requirements set out in paragraph 17 herein, an LOI in respect of an Investment Proposal must include:
 - (a) a description of the structure of the Investment Proposal;
 - (b) a description of the type and amount of consideration to be allocated to secured creditors, unsecured creditors and shareholders of the Company;
 - (c) the proposed treatment of the Company's stakeholders; and
 - (d) a description of any liabilities to be assumed by the Prospective Bidder's estimated value of such assumed liabilities.
- 20. For greater certainty, the Monitor shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI or with respect to any of the other requirements of paragraphs 16, 17, 18, and 19 above, and the Monitor may accept a revised and/or clarified LOI, provided that the initial LOI was received prior to the LOI Deadline.

Identification of Qualified Bidders

- 21. The Monitor and the Company, in consultation with the DIP Lender, shall review and consider each LOI and the other materials submitted by a Prospective Bidder and if: (i) the LOI meets requirements specified in paragraphs 16, 17, and 18, or 19; (ii) it is determined that it will be in the best interests of the Company and its stakeholders to permit the Prospective Bidder to continue to participate in the SISP based upon the terms set out in the applicable LOI; and (iii) such Prospective Bidder's financial information and credit support or enhancement demonstrate to the satisfaction of the Monitor the capability of such Prospective Bidder to consummate a transaction and that such Prospective Bidder is likely (based on availability of financing, experience and other considerations) to consummate either a Sale Proposal or an Investment Proposal, such Prospective Bidder shall constitute a "Qualified Bidder".
- 22. The determination by the Company and the Monitor as to whether a Prospective Bidder is a Qualified Bidder will be made as promptly as practicable, in consultation with the DIP Lender, after such Prospective Bidder has satisfied the requirements described in paragraph 16, 17 and 18 or 19, as applicable, and any clarification that may be sought by the Monitor pursuant to paragraph 20 and in any event prior to **May 26, 2025 at 5 p.m**. If it is determined that a Prospective Bidder is a Qualified Bidder, the Monitor will promptly notify the Prospective Bidder that it is a Qualified Bidder.

Due Diligence

- 23. Each Qualified Bidder shall have such access to due diligence materials and information relating to the Business and Property as the Monitor, in consultation with the Company, deems appropriate.
- 24. At the discretion of the Monitor, in consultation with the Company, due diligence access may include presentations (as may be scheduled by the Monitor), access to the Data Room, on-site inspections and such other matters as a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment, deems appropriate. The Monitor shall not be obligated to furnish any due diligence materials or information after the Bid Deadline.
- 25. Unless otherwise agreed in writing by the Monitor, no Prospective Bidder or Bidder shall be permitted to have any discussions with any counterparty to any contract with the Company or with any regulatory authority responsible for the Company or any other Prospective Bidder or Bidder in connection with any bid submitted in accordance with the terms hereof or in contemplation thereof.

Submission of Qualified Bids

- 26. In order to continue participation in the SISP, a Qualified Bidder must deliver a Qualified Purchase Bid or Qualified Investment Bid (each as defined below) to the Monitor and such bids must be received by the Monitor by no later than June 12, 2025 at 5:00 p.m. (Toronto time), or at such later date or time as the Monitor, in consultation with the Company and approved by the DIP Lender and in accordance with the SISP Procedures, may determine appropriate (the "Bid Deadline").
- 27. A Sale Proposal submitted by a Qualified Bidder will be considered a "Qualified Purchase Bid" only if the Sale Proposal complies with all of the following:
 - (a) it includes a letter stating that the Sale Proposal is irrevocable until 25 business days, meaning any day other than a Saturday or Sunday or a day which is a statutory holiday in Toronto, Ontario ("Business Day"). Business Days following the Bid Deadline; provided, however, that if such Sale Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the closing of the Successful Bid or the Backup Bid, as the case may be;
 - (b) it includes a duly authorized and executed purchase and sale agreement, together with a markup outlining and highlighting all proposed changes from the Template APA, specifying the purchase price, expressed in Canadian dollars, including the cash component thereof and/or the liabilities to be assumed by the Bidder (or the combination of both the "Purchase Price"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements) and such ancillary agreements;
 - (c) it contains a detailed listing and description of the Property to be included in the Sale Proposal or a detailed listing of the Property to be excluded from the Sale Proposal, as well as the value and breakdown of the allocation of the Purchase

Price;

- (d) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Sale Proposal;
- (f) it is not conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing, and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Sale Proposal;
- (g) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (h) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its Sale Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets and/or liabilities to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Company or the Monitor, except as expressly stated in the purchase and sale agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its Sale Proposal; and (iv) has had the benefit of independent legal advice in connection with its Sale Proposal;
- it includes evidence, in form and substance reasonably satisfactory to the Monitor of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
- (j) it is accompanied by a refundable deposit (the "Deposit") in the form of a wire transfer (to a trust account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of *FTI Consulting Canada Inc.* in trust, in an amount equal to 10% of the proposed gross Purchase Price, to be held and dealt with in accordance with the SISP Procedures;
- it contains full details of the proposed number of employees of the Company who will become employees of the Qualified Bidder and the proposed terms and conditions of employment to be offered to those employees;

- (I) it includes an acknowledgement and representation that the Qualified Bidder will assume the obligations of the Company under executory contracts, unexpired leases, and licenses proposed to be assigned (or identifies clearly the particular contracts, leases, and licenses of the Company, as applicable, that the Qualified Bidder wishes not to assume, or alternatively wishes to assume), contains full details of the Qualified Bidder's proposal for the treatment of related cure costs; and which the assumption of which is a condition of closing;
- (m) to the extent not addressed elsewhere, it includes the proposed treatment of stakeholders;
- it provides for the closing of the Qualified Purchase Bid by no later than July 4,
 2025, or such later date or time as the Monitor, in accordance with the SISP Procedures, may determine appropriate (the "Target Closing Date");
- (o) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor and names the Company as a thirdparty beneficiary of any such commitment letter with recourse by the Company and the Monitor against such parent entity or sponsor;
- (p) it includes evidence, in form and substance reasonably satisfactory to the Monitor of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (q) it contains other information reasonably requested by the Monitor in consultation with the Company and the DIP Lender;
- (r) it is governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (s) it is received by no later than the Bid Deadline.
- 28. An Investment Proposal submitted by a Qualified Bidder will be considered a "Qualified Investment Bid" only if the Investment Proposal compiles with all of the following:
 - (a) it includes a letter stating that the Investment Proposal is irrevocable for a period of 25 Business Days following the Bid Deadline; provided, however, that if such Investment Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the earlier of: (i) the closing of the Successful Bid or the Backup Bid, as the case may be; and (ii) the outside date stipulated in the Successful Bid or the Backup Bid, as applicable;
 - (b) it includes duly authorized and executed binding definitive documentation setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and/or debt investment and details regarding the proposed equity and/or debt structure of the Company, if applicable, following completion of the proposed transaction (a "Definitive Investment Agreement");

- (c) it includes a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of the Company;
- (d) it does not include a request or entitlement to a break-fee, expense reimbursement or any other similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Investment Proposal;
- (f) it is not conditional on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or (ii) obtaining any financing capital, and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Investment Proposal;
- (g) it fully discloses the identity of each entity that is bidding or that is sponsoring or participating in the Investment Proposal, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (h) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its Investment Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the Company or the completeness of any information provided in connection therewith, including by the Company and the Monitor, except as expressly stated in the Definitive Investment Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Investment Proposal; and (iv) has had the benefit of independent legal advice in connection with its Investment Proposal;
- (i) it includes evidence, in form and substance reasonably satisfactory to the Monitor, or authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Investment Proposal;
- (j) it is accompanied by a Deposit in the form of a wire transfer (to a trust account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of *FTI Consulting Canada Inc.*, in trust, in an amount equal to 10% of the total proposed investment, to be held and dealt with in accordance with the SISP Procedures;
- (k) it provides for closing of the Qualified Investment Bid by no later than the Target Closing Date;

- (I) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the Investment Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, and satisfactory to the Monitor, that names the Company as a third-party beneficiary of any such commitment letter with recourse by the Company and the Monitor against such parent entity or sponsor;
- (m) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
- (n) it contains other information reasonably requested by the Monitor;
- (o) it is governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (p) it is received by no later than the Bid Deadline.
- 29. For greater certainty, Sale Proposals and Investment Proposals may be in respect of only a part or parts of the Business or Property and such proposal shall constitute a "Qualified Portion Bid" if it satisfies the requirements in paragraph 27 or 28 herein, as applicable, in respect of the Business or Property subject to such proposal, and in such case, such Bidder shall constitute a "Qualified Portion Bidder". Each Qualified Portion Bid shall be deemed to be a Phase II Bid, and each Qualified Portion Bidder shall be deemed to be a Qualified Bidder, for all purposes of the SISP.

PHASE II BIDS

- 30. Qualified Purchase Bids and Qualified Investment Bids shall hereinafter together be referred to as **"Phase II Bids"** and each a **"Phase II Bid"** and each Bidder who has submitted a Phase II Bid shall hereinafter be referred to as an **"Authorized Bidder"**.
- 31. Notwithstanding paragraphs 27 and 28, the Monitor, in consultation with the Company and the DIP Lender, may waive compliance with any one or more of the Phase II Bid requirements specified herein, and deem such non-compliant bids to be Qualified Purchase Bids or Qualified Investment Bids, as the case may be.

ASSESSMENT OF PHASE II BIDS

- 32. The Monitor and the Company, in consultation with the DIP Lender, will review and assess the Phase II Bids in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following criteria (the "Sale Proposal Bid Criteria"):
 - (a) the Purchase Price and net value (including all assumed liabilities and other obligations to be performed by the Authorized Bidder) provided by such Phase II Bid and the proposed allocation of the Purchase Price among the applicable Property;
 - (b) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the Sale Proposal;

- (c) the claims, if any, likely to be created against the Company by the transaction contemplated by the Sale Proposal, relative to alternatives available to the Company;
- (d) the nature and amount of debt and other liabilities to be assumed or acquired by the Authorized Bidder;
- (e) the proposed revisions to the Template APA and the terms of the proposed sale transaction documents:
- (f) the Property included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the Property;
- (g) any transition services required from the Company post-closing and any related restructuring costs;
- (h) the planned treatment of stakeholders; and
- (i) other factors affecting the speed, certainty and value of the Sale Proposal (including any regulatory approvals and other conditions required to close the Sale Proposal by the applicable Target Closing Date), including the likelihood of closing the Sale Proposal on or before the applicable Target Closing Date.
- 33. The Monitor and the Company, in consultation with the DIP Lender, will review and assess the Phase II Bids in respect of an Investment Proposal, and in making such assessment will consider among other things, the following criteria (the "Investment Proposal Bid Criteria"):
 - (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors; unsecured creditors and shareholders of the Company and the planned treatment of such persons under the proposed Investment Proposal;
 - (b) the firm, irrevocable commitment for financing the investment or other evidence of ability to consummate the Investment Proposal;
 - (c) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of a Plan, if needed;
 - (d) the estimated number of employees of the Company that will be offered postclosing employment by the Bidder and any proposed measures associated with their continued employment;
 - (e) the transition services required from the Company post-closing and any related tasks;
 - (f) the planned treatment of stakeholders; and
 - (g) other factors affecting the speed, certainty and value of the Investment Proposal (including any regulatory approval and other conditions required to close the Investment Proposal by the applicable Target Closing Date), including the

likelihood of closing the Investment Proposal on or before the applicable Target Closing Date.

- 34. For greater certainty, the Monitor, in consultation with the Company and the DIP Lender, shall be entitled, either prior to or following the Bid Deadline, to seek to clarify the terms of Phase II Bid and the Monitor may accept a revised and/or clarified Phase II Bid provided that the initial Phase II Bid was received prior to the Bid Deadline.
- 35. The Monitor in consultation with the Company and with the approval of the DIP Lender, may waive compliance with any one or more of the requirements specified in paragraph 27 or 28, as applicable and deem any non-compliant Bid to be a Phase II Bid.
- 36. The Monitor and the Company shall apply the Sale Proposal Bid Criteria and Investment Proposal Bid Criteria, as applicable, and consider each Phase II Bid upon its submission for determination. Such determination will be made as promptly as practicable after the Bid Deadline.
- 37. If the Company, in consultation with the Monitor and the DIP Lender, determines that any Phase II Bid was received that is in the best interests of the Company's stakeholders (or any combination of non-overlapping Qualified Portion Bids was received that is in the best interests of the Company's stakeholders), the Company, in consultation with the Monitor and the DIP Lender, may choose to accept such Phase II Bid (in which case, such Phase II Bid shall be a "Successful Bid" and the Authorized Bidder making the Successful Bid shall be a "Successful Bidder") and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the Company, in consultation with the Monitor and the DIP Lender, may accept a combination of non-overlapping Qualified Portion Bids (collectively, an "Aggregated Bid") to create one Successful Bid and in such case, the applicable Authorized Bidders will become "Successful Bidders".
- 38. The Monitor, with the consent of the DIP Lender and in consultation with the Company, may at any time (including prior to or during any Auction (as defined below)), in accordance with the terms herein: (a) reject any Bid that is: (i) inadequate or insufficient; and/or (ii) not in conformity with the requirements of the CCAA, the SISP Procedures or any orders of the Court applicable to the Company; (b) accept Phase II Bids not in conformity with the SISP Procedures that are determined to be more favourable; (c) extend the Bid Deadline, and/or change the Auction Date (as defined herein); and/or (d) reject all Phase II Bids. For greater certainty, the Company shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid shall be entirely in the discretion of the Company, in consultation with the Monitor and the DIP Lender.

Auction

39. If the Monitor, in consultation with the Company and the DIP Lender, determine that more than one Phase II Bids (and/or more than one Aggregated Bid) should be considered, then the Monitor <u>may. without being obligated to do so</u>, conduct an auction (the "Auction"), to determine the highest and/or best Sale Proposal or Investment Proposal or Aggregated Bid.

- 40. If an Auction is to be conducted pursuant to paragraph 39, the Auction shall commence on a date as the Monitor, may determine is appropriate (the "Auction Date"). The Auction shall be conducted virtually through a platform to be determined by the Monitor or such other location as the Monitor may determine.
- 41. If there is an Auction, the Monitor, in consultation with the Company and the DIP Lender shall develop the Auction procedures. Notice of the platform or place, date and time of the Auction will be delivered to all Authorized Bidders by the Monitor not less than three (3) Business Days before the Auction Date.

Backup Bid

42. In the event a Successful Bid is accepted in accordance with paragraph 37, or further to an Auction in accordance with paragraph 41, the Company, in consultation with the Monitor and the DIP Lender, may also select any Phase II Bid or Aggregated Bid, as the case may be, as the "Backup Bid" (the Bidder of such Backup Bid, the "Backup Bidder") and take such steps as are necessary to finalize and complete an agreement for the Backup Bid with the Backup Bidder. In the event the closing of the Successful Bid accepted in accordance with paragraphs 37 or 41, as the case may be, does not occur, the Backup Bid shall, upon confirmation of the Monitor, become the Successful Bid and be dealt with as such in accordance with the SISP Procedures.

Approval Motion

- 43. After a definitive agreement(s) in respect of a Successful Bid has been finalized in accordance with the SISP Procedures, if such Successful Bid relates to the Business or Property, the Company shall apply to the Court as soon as reasonably practicable for an order approving such Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to such Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to such Successful Bid, including for the approval of any Plan(s) pursuant to the CCAA or Arrangement pursuant to the CBCA, as applicable (an "Approval Motion").
- 44. An Approval Motion will be held on a date to be scheduled by the Court and to be heard as soon as possible. The Company reserves its right, as may be necessary or appropriate, to seek to proceed on an expedited basis and abridge any notice period provided for in any Court order. An Approval Motion may be adjourned or rescheduled by the Company, in consultation with the Monitor and the DIP Lender, by an announcement of the adjourned date at an Approval Motion or by notice to the Service List and no further notice shall be required.
- 45. All Phase II Bids (other than the Successful Bid and the Backup Bid, as the case may be) will be deemed rejected at 11:59 p.m. (Toronto Time) on the Business Day after the acceptance of the Successful Bid relating to the same Business and/or Property.
- 46. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

Treatment of Deposit

- 47. If there is a Successful Bid, the Deposit (plus accrued interest) paid by a Successful Bidder whose bid is approved by the Court will be released by the Monitor and applied to the Purchase Price to be paid, or investment to be made, by such Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement.
- 48. The Deposits of Bidders not selected as a Successful Bidder or a Back Up Bidder, will be returned to such Bidders within ten (10) Business Days upon selection of the Back Up Bid and/or Successful Bid. If there is no Successful Bid with respect to the Business or the Property, subject to the following paragraph 49, all Deposits with respect to such Business or Property will be returned to all Bidders with respect to that Business or Property, within ten (10) Business Days of the date on which the SISP with respect to that Business or Property is terminated in accordance with the SISP.
- 49. If: (i) a Successful Bidder breaches any of its obligations under the terms of the SISP Procedures or any definitive transaction documentation; or (ii) a Bidder fails to complete the transaction contemplated by its Bid if required by the Monitor to complete such transaction; or (iii) an Authorized Bidder fails to provide proof of its ability to complete the transaction to the Monitor (other than with respect to conditions specifically provided in its Bid), within five (5) Business Days of a request to that effect from the Monitor, then, in each case, such Bidder's Deposit will be forfeited to the Company as liquidated damages and not as a penalty. The forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Company and the Monitor have or may have against such breaching entity.

Reservation of Rights and Conduct of the SISP

- 50. The SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Monitor and any Prospective Bidder and Bidder, other than as specifically set forth in a definitive agreement that any such Bidder may enter into with the Monitor.
- 51. The Monitor and the Company, with the consent of the DIP Lender, may reject, at any time any Bid that is: (i) inadequate or insufficient; (ii) not in conformity with the requirements of the SISP Procedures; or (iii) contrary to the best interests of the Company, its estate, and stakeholders as determined by the Company and the Monitor. The Monitor may accept bids not in conformity with the SISP Procedures to the extent that the Company and the Monitor, in consultation with the DIP Lender determine, in their reasonable business judgment, that doing so would benefit the Company, its estate, and stakeholders.
- 52. The Monitor, in its reasonable discretion and in consultation with the Company and the DIP Lender, may shorten the dates provided for herein or terminate the SISP if there are no credible opportunities for the conclusion of a transaction in the process.
- 53. The Monitor will at all times prior to the selection of a Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP including, without limitation, by actively soliciting participation by all persons who would be customarily identified as high-potential bidders in a process of this kind or who may be reasonably proposed by any of the Company's stakeholders as a high-potential bidder.

- 54. Prior to seeking Court approval for any transaction or bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP process, parts of which may be filed under seal, including in respect of any and all bids received.
- 55. Pursuant to the applicable Approval Motion and to the extent permitted by law, all of the rights, title and interests of the Company in and to the Property or the Business to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein (collectively, the "Claims and Interests") pursuant to the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property or Business (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant transaction documents with a Successful Bidder and the applicable Approval Motion.
- 56. Without limiting the discretion afforded to the Monitor and the Company herein, and notwithstanding the process and timeline for Qualified Bids and the continuation of the SISP into Phase 2, the Monitor and the Company, in consultation with the DIP Lender, may at any time prior to the Bid Deadline: (i) subject to Court approval, enter into a stalking horse agreement involving a transaction with respect to some or all of the Property with a party identified through the SISP or otherwise; or (ii) subject to Court approval, enter into a definitive transaction agreement with respect to a transaction involving some or all of the Property with a party identified through the SISP or otherwise and suspend or terminate the SISP.
- 57. The Company shall co-operate fully with the Monitor in the exercise of its powers and duties and discharge of its obligations under the SISP and provide the Monitor with the assistance, information and documentation that is necessary to enable the Monitor to adequately carry out the Monitor's functions herein.

Notice to the Company and the Monitor

58. Any notice or other communication to be given to the Company in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Company as follows:

To counsel to the Company:

RECONSTRUCT LLP

80 Richmond St W Suite 1700 Toronto, ON M5H 2A3

Attention:

Brendan Bissell – <u>bbisell@reconllp.com</u>
Caitlin Fell – <u>cfell@reconllp.com</u>

59. Any notice of other communication to be given to the Monitor in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Monitor as follows:

FTI CONSULTING INC.

TD South Tower 79 Wellington Street W, Suite 2010 Toronto, Ontario M5K 1G8 Canada

Attention:

Jeffrey Rosenberg – jeffrey.rosenberg@fticonsulting.com

With a copy to counsel to the Monitor

STIKEMAN ELLIOTT LLP

5300 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1B9 Canada

Attention:

Maria Konyukhova - mkonyukhova@stikeman.com

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 COMPROMISE OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at Toronto

SALE PROCESS APPROVAL ORDER

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Lawyers for the Applicants

Bankruptcy Court File No. BK-25-03205249-0031

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE MADAM)	TUESDAY, THE 13 TH
)	
JUSTICE J. DIETRICH)	DAY OF MAY, 2025

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE TOWN OF PARRY SOUND, IN THE PROVINCE OF ONTARIO

ORDER (FEE APPROVAL AND DISCHARGE)

THIS MOTION, made by Shaw-Almex Industries Limited (the "**Company**") pursuant to the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order, among other things: (i) discharging FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Proposal Trustee for the Company (in such capacity, the "**Proposal Trustee**"); (ii) approving the activities of the Proposal Trustee as set out in the First Report of the Proposal Trustee dated April 24, 2025 (the "**First Report**"); and (iii) approving the fees and disbursements of the Proposal Trustee and its legal counsel, as described in the Pre-Filing Report of FTI, to be filed, (the "**Pre-Filing Report**") was heard on the 13th day of May, 2025.

ON READING the affidavit of Andrew Hustrulid, sworn May 8, 2025, and the exhibits thereto, the First Report, and the Pre-Filing Report, including the Affidavit of • sworn May •, 2025 (the "**FTI Fee Affidavit**") and the Affidavit of • sworn May •, 2025 (the "**Stikeman Fee Affidavit**").

ON HEARING the submissions of counsel for the Company, the Proposal Trustee, and

such other counsel that were present, no one else appearing for any other person although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Company's notice of motion returnable May 13, 2025 and motion record, is abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF FEES AND ACTIVITIES OF THE PROPOSAL TRUSTEE

- 2. **THIS COURT ORDERS** that the First Report is hereby approved, and the activities and conduct of the Proposal Trustee described therein are hereby approved; provided however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.
- 3. **THIS COURT ORDERS** the fees and disbursements of the Proposal Trustee, for the period from March •, 2025 to May •, 2025 in the total amount of \$• which is comprised of \$• in fees and disbursement plus HST of \$• as set out in the Pre-Filing Report and the FTI Fee Affidavit attached as Appendix "•" to the Pre-Filing Report, be and are hereby approved.
- 4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel, Stikeman Elliott LLP, for the period from March •, 2025 to May •, 2025 in the total amount of \$• which is comprised of \$• in fees and disbursements plus HST of \$• as set out in the Pre-Filing Report and the Stikeman Fee Affidavit attached as Appendix "•" to the Pre-Filing Report, be and are hereby approved.

DISCHARGE OF THE PROPOSAL TRUSTEE

- 5. **THIS COURT ORDERS** that the Proposal Trustee has duly and properly satisfied, discharged and performed all of its obligations, liabilities, responsibilities and duties in compliance and in accordance within this proceeding (the "**NOI Proceeding**"), all Orders of this Court made in this NOI Proceeding, the BIA or otherwise.
- 6. **THIS COURT ORDERS** that FTI is hereby discharged as Proposal Trustee and shall have no further duties, obligations or responsibilities as Proposal Trustee; provided that, notwithstanding its discharge as Proposal Trustee, FTI shall have the authority from and after the date hereof to complete or address any matters in its role as Proposal Trustee that are ancillary

or incidental to these NOI Proceeding, as may be required or appropriate.

7. **THIS COURT ORDERS** that, notwithstanding the Proposal Trustee's discharge, the termination of these NOI Proceeding or any other provision of this Order or any order made under the CCAA, nothing herein shall affect, vary, derogate from, limit or amend, and FTI and its counsel shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee and its counsel at law or pursuant to the BIA or any Order of this Court made in these NOI Proceeding or otherwise.

TERMINATION OF THE NOI PROCEEDING

8. **THIS COURT ORDERS** that these NOI Proceeding are hereby terminated, provided that nothing herein impacts the validity of any Orders made in these NOI Proceeding or any actions or steps taken by any person pursuant thereto and any and all steps, agreements and procedures validly taken, done or entered into by the Company or Proposal Trustee during the NOI Proceeding shall remain valid and binding.

RELEASES

- 9. THIS COURT ORDERS that Proposal Trustee and its counsel, counsel to the Company, and each of their respective affiliates, officers, directors, partners, current and former employees, legal counsel and agents (collectively, the "Released Parties" and each a "Released Party") shall be and are hereby released and discharged from any and all present and future claims, liabilities, indebtedness, demands, actions, suits, damages, judgments and obligations of whatever nature or kind whatsoever, that any person may have or be entitled to assert against the Released Parties (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of the NOI Proceeding or with respect to their conduct in the NOI Proceeding (collectively, the "Released Claims"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of gross negligence or wilful misconduct on the part of the applicable Released Party.
- 10. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against

any of the Released Parties in any way arising from or related to these NOI Proceeding, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

GENERAL

- 11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all persons against whom it may otherwise be enforced.
- 12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Company, the Proposal Trustee 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 Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.
- 13. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee 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.
- 14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE CITY OF PARRY SOUND IN THE PROVINCE OF ONTARIO

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at TORONTO

ORDER (FEE APPROVAL AND DISCHARGE)

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THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES LIMITED OF THE CITY OF PARRY SOUND IN THE PROVINCE OF ONTARIO

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings commenced at TORONTO

MOTION RECORD OF THE APPLICANTS (Returnable May 13, 2025)

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