

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-33937

**Live Ventures Incorporated**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**85-0206668**

(IRS Employer Identification No.)

**8548 Rozita Lee Ave., Suite 305  
Las Vegas, Nevada**

(Address of principal executive offices)

**89113**

(Zip Code)

**(702) 939-0231**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	LIVE	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the issuer's common stock, par value \$0.001 per share, outstanding as of February 6, 2026 was 3,071,656.

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FOR THE THREE MONTHS ENDED DECEMBER 31, 2025  
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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**LIVE VENTURES INCORPORATED**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(dollars in thousands, except per-share amounts)

	December 31, 2025 (Unaudited)	September 30, 2025
<b>Assets</b>		
Cash	\$ 15,133	\$ 8,831
Trade receivables, net of allowance for doubtful accounts of \$ 0.4 million at December 31, 2025 and \$ 0.6 million at September 30, 2025	34,197	39,947
Inventories, net	118,212	120,716
Prepaid expenses and other current assets	3,326	3,568
Total current assets	170,868	173,062
Property and equipment, net	76,178	77,511
Right of use asset - operating leases	60,746	53,097
Deposits and other assets	1,456	1,498
Intangible assets, net	18,824	20,080
Goodwill	61,152	61,152
Total assets	\$ 389,224	\$ 386,400
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Accounts payable	\$ 27,355	\$ 27,369
Accrued liabilities	27,543	31,834
Income taxes payable	2,780	2,334
Current portion of lease obligations - operating leases	11,490	11,495
Current portion of lease obligations - finance leases	581	573
Current portion of long-term debt	30,901	36,282
Current portion of notes payable related parties	800	800
Seller notes - related parties	275	275
Total current liabilities	101,725	110,962
Long-term debt, net of current portion, and unamortized debt issuance costs	45,919	41,880
Lease obligation long term - operating leases, net of current portion	54,439	46,375
Lease obligation long term - finance leases, net of current portion	42,279	42,269
Notes payable related parties, net of current portion	18,954	18,564
Seller notes - related parties	17,953	17,945
Deferred tax liability, net	8,685	9,156
Other non-current obligations	3,979	3,945
Total liabilities	293,933	291,096
Commitments and contingencies		
Stockholders' equity:		
Series E convertible preferred stock, \$ 0.001 par value, 200,000 shares authorized, 47,840 shares issued and outstanding at December 31, 2025 and September 30, 2025, with a liquidation preference of \$0.30 per share outstanding	—	—
Common stock, \$0.001 par value, 10,000,000 shares authorized, 3,071,656 shares issued and outstanding at December 31, 2025 and September 30, 2025	2	2
Paid in capital	75,899	75,848
Treasury stock common 754,391 shares as of December 31, 2025 and September 30, 2025	(9,600)	(9,600)
Treasury stock Series E preferred 80,000 shares as of December 31, 2025 and September 30, 2025	(7)	(7)
Retained earnings	28,997	29,061
Total stockholders' equity	95,291	95,304
Total liabilities and stockholders' equity	\$ 389,224	\$ 386,400

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LIVE VENTURES INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**(UNAUDITED)**

(dollars in thousands, except per-share amounts)

	For the Three Months Ended December 31,	
	2025	2024
Revenue	\$ 108,544	\$ 111,508
Cost of revenue	73,191	76,146
Gross profit	<u>35,353</u>	<u>35,362</u>
Operating expenses:		
General and administrative expenses	27,842	30,071
Sales and marketing expenses	4,060	4,529
Total operating expenses	<u>31,902</u>	<u>34,600</u>
Operating income	3,451	762
Other expense:		
Interest expense, net	(3,561)	(4,162)
Gain on extinguishment of debt	—	713
Gain on settlement of earnout liability	—	2,840
Other income	21	420
Total other expense, net	<u>(3,540)</u>	<u>(189)</u>
(Loss) income before provision for income taxes	(89)	573
(Benefit) provision for income taxes	(25)	81
Net (loss) income	<u>\$ (64)</u>	<u>\$ 492</u>
(Loss) income per share:		
Basic	\$ (0.02)	\$ 0.16
Diluted	\$ (0.02)	\$ 0.16
Weighted average common shares outstanding:		
Basic	3,071,656	3,124,581
Diluted	3,071,656	3,124,820

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LIVE VENTURES INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
(dollars in thousands)

	For the Three Months Ended December 31,	
	2025	2024
<b>Operating Activities:</b>		
Net (loss) income	\$ (64)	\$ 492
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	3,926	4,415
Amortization of seller note discount	76	757
Amortization of debt issuance cost	111	21
Stock based compensation expense	51	51
Amortization of right-of-use assets	1,506	1,031
Gain on extinguishment of debt	—	(713)
Gain on settlement of earnout liability	—	(2,840)
Change in deferred income taxes	(471)	(455)
Change in allowance for doubtful accounts	(149)	(110)
Change in reserve for obsolete inventory	306	(73)
Changes in assets and liabilities:		
Trade receivables	5,899	8,931
Inventories	2,198	3,035
Prepaid expenses and other current assets	242	531
Deposits and other assets	41	(667)
Accounts payable	(14)	(2,525)
Accrued liabilities	(4,292)	(3,016)
Income taxes payable	446	535
Other noncurrent liabilities	35	—
Net cash provided by operating activities	<u>9,847</u>	<u>9,400</u>
<b>Investing Activities:</b>		
Purchase of property and equipment	(1,336)	(1,817)
Net cash used in investing activities	<u>(1,336)</u>	<u>(1,817)</u>
<b>Financing Activities:</b>		
Net payments under revolver loans	(3,906)	(3,121)
Net borrowings under related party revolver loans	361	1,570
Proceeds from the issuance of notes payable	9,848	—
Payments on notes payable	(6,643)	(1,770)
Proceeds from the issuance of related party notes payable	—	1,932
Payments on related party notes payable	—	(300)
Payments on related party seller notes payable	(69)	—
Cash paid for settlement of seller notes	—	(1,932)
Cash paid for debt issuance costs	(723)	—
Purchase of common treasury stock	—	(157)
Payments on financing leases	(1,077)	(999)
Net cash used in financing activities	<u>(2,209)</u>	<u>(4,777)</u>
Increase in cash	6,302	2,806
Cash, beginning of period	8,831	4,601
Cash, end of period	<u>\$ 15,133</u>	<u>\$ 7,407</u>
<b>Supplemental cash flow disclosures:</b>		
Interest paid	\$ 3,452	\$ 3,284
<b>Noncash financing and investing activities:</b>		
Noncash debt discount on related party notes	\$ —	\$ 713

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LIVE VENTURES INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(UNAUDITED)**  
(dollars in thousands)

	Series E Preferred Stock		Common Stock		Paid-In Capital	Series E Preferred Stock	Common Stock	Retained Earnings	Total Equity
	Shares	Amount	Shares	Amount		Treasury Stock	Treasury Stock		
Balance, September 30, 2025	47,840	\$ —	3,071,656	\$ 2	\$ 75,848	\$ (7)	\$ (9,600)	\$ 29,061	\$ 95,304
Stock based compensation	—	—	—	—	51	—	—	—	51
Net loss	—	—	—	—	—	—	—	(64)	(64)
Balance, December 31, 2025	47,840	\$ —	3,071,656	\$ 2	\$ 75,899	\$ (7)	\$ (9,600)	\$ 28,997	\$ 95,291

	Series E Preferred Stock		Common Stock		Paid-In Capital	Series E Preferred Stock	Common Stock	Retained Earnings	Total Equity
	Shares	Amount	Shares	Amount		Treasury Stock	Treasury Stock		
Balance, September 30, 2024	47,840	\$ —	3,131,360	\$ 2	\$ 69,692	\$ (7)	\$ (9,072)	\$ 12,274	\$ 72,889
Stock based compensation	—	—	—	—	51	—	—	—	51
Purchase of common treasury stock	—	—	(15,686)	—	—	—	(157)	—	(157)
Net income	—	—	—	—	—	—	—	492	492
Balance, December 31, 2024	47,840	\$ —	3,115,674	\$ 2	\$ 69,743	\$ (7)	\$ (9,229)	\$ 12,766	\$ 73,275

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**LIVE VENTURES INCORPORATED**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2025 AND 2024**  
(dollars in thousands, except per-share amounts)

**Note 1: Background and Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements include the accounts of Live Ventures Incorporated, a Nevada corporation, and its subsidiaries (collectively, “Live Ventures” or the “Company”). Live Ventures is a diversified holding company with a strategic focus on value-oriented acquisitions of domestic middle-market companies. The Company has five operating segments: Retail-Entertainment, Retail-Flooring, Flooring Manufacturing, Steel Manufacturing, and Corporate and Other. The Retail-Entertainment segment includes Vintage Stock, Inc. (“Vintage Stock”), which is engaged in the retail sale of new and used movies, music, collectibles, comics, books, games, game systems, and components. The Retail-Flooring segment includes Flooring Liquidators, Inc. (“Flooring Liquidators”), which is engaged in the retail sale and installation of floors, carpets, and countertops. The Flooring Manufacturing segment includes Marquis Industries, Inc. (“Marquis”), which is engaged in the manufacture and sale of carpet and the sale of vinyl and wood floor coverings. The Steel Manufacturing Segment includes Precision Industries, Inc. (“Precision Marshall”), which is engaged in the manufacture and sale of alloy and steel plates, ground flat stock and drill rods, The Kinetic Co., Inc. (“Kinetic”), which is engaged in the production of industrial knives and hardened wear products for the tissue and metals industries, Precision Metal Works, Inc. (“PMW”), which is engaged in metal forming, assembly, and finishing solutions across diverse industries, including appliance, automotive, hardware, electrical, electronic, medical products, and devices, and Central Steel Fabricators, LLC (“Central Steel”), a Chicago-based manufacturer of specialized fabricated metal products primarily for data centers and the communications industry. PMW reports on a 13-week quarter, as opposed to the Company's calendar quarter reporting. However, the Company has determined that the difference in reporting periods has no material effect on its reported financial results.

The unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for audited financial statements. In the opinion of the Company’s management, this interim information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. The results of operations for the three months ended December 31, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2026. The financial information included in these statements should be read in conjunction with the condensed consolidated financial statements and related notes thereto as of September 30, 2025 and for the fiscal year then ended included in the Company’s Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the “SEC”) on December 17, 2025 (the “2025 Form 10-K”).

**Note 2: Summary of Significant Accounting Policies**

**Principles of Consolidation**

The unaudited condensed financial statements include the accounts of the Company and its majority owned subsidiaries over which the Company exercises control. All intercompany accounts and transactions have been eliminated in consolidation.

**Use of Estimates**

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company’s 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 condensed consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Significant estimates made in connection with the accompanying consolidated financial statements include the estimated reserve for excess and obsolete inventory, fair values in connection with the analysis of goodwill, other intangibles and long-lived assets for impairment, valuation allowance against deferred tax assets, and estimated useful lives for intangible assets.

## Revenue Recognition

### *General*

The Company accounts for its sales revenue in accordance with Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (“Topic 606”). Topic 606 provides a five-step revenue recognition model that is applied to the Company’s customer contracts. Under this model we (i) identify the contract with the customer, (ii) identify our performance obligations in the contract, (iii) determine the transaction price for the contract, (iv) allocate the transaction price to our performance obligations, and (v) recognize revenue when or as we satisfy our performance obligations.

Revenue is recognized upon transfer of control of the promised goods or the performance of the services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company enters into contracts that may include various combinations of products and services, which are generally distinct and accounted for as separate performance obligations.

### *Retail - Entertainment Segment*

The Retail-Entertainment Segment derives revenue primarily from direct sales of entertainment products. Sales are generally of a cash-and-carry nature and contain a single performance obligation. Consequently, revenue is recorded at the point in time in which the sale is made. Revenue is recorded net of sales taxes collected from customers. The Company recognizes the portion of the dollar value of prepaid stored-value products that ultimately is unredeemed (“breakage”) in accordance with ASC 606-10-32-11 through 32-13 Measurement-Constraining Estimates of Variable Consideration.

### *Retail - Flooring Segment*

The Retail-Flooring Segment derives revenue primarily from the sale of flooring products and installation services, which are recognized at the point-of-sale and over time, respectively. Retail sales are generally of a cash-and-carry nature and contain a single performance obligation. Consequently, revenue is recorded at the point in time in which the sale is made. Installation services generally contain multiple performance obligations requiring revenue to be recognized over a period of time based on percentage of completion. For sales that include installation, revenue is recognized upon completion of the installation of the material in accordance with the contract, as this method is the best depiction of when the transfer of goods or services takes place. All direct costs are either paid and/or accrued for in the period in which the sale is recorded. Revenue is recorded net of sales taxes collected from customers.

### *Flooring and Steel Manufacturing Segments*

The Flooring Manufacturing Segment derives revenue primarily from the sale of carpet and hard surface flooring products, including shipping and handling amounts. The Steel Manufacturing Segment generates revenue, including shipping and handling, from four primary sources: the manufacture and sale of De-Carb Free Tool and Alloy Steel in the form of Plate, Precision Ground Flat Stock, and Drill Rod; the manufacture and sale of Industrial Knives used in the Tissue and Steel Processing industries; the stamping of Appliance and Automotive Parts; and the production and sale of Cable Racking and Fixtures for Data and Communication Centers. Revenue for these segments generally contains a single performance obligation and is recognized at the point title passes to the customer. At the time revenue is recognized, the Company records a provision for the estimated amount of future returns based primarily on historical experience and any known trends or conditions that exist at the time revenue is recognized. Revenue is recorded net of taxes collected from customers. All direct costs are either paid and/or accrued for in the period in which the sale is recorded.

### *Spare Parts*

For spare parts sales, the Company transfers control and recognizes a sale when it ships the product to the customer or when the customer receives the product based upon agreed shipping terms. Each unit sold is considered an independent, unbundled performance obligation. The Company has no additional performance obligations other than spare parts sales that are material in the context of the contract. The amount of consideration received and revenue recognized varies due to sales incentives and returns offered to customers. When customers retain the right to return eligible products, the Company reduces revenue for the estimate of the expected returns, which is primarily based on an analysis of historical experience.

## Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 requires enhanced annual disclosures regarding the rate reconciliation and income taxes paid information. ASU 2023-09 is effective

for fiscal years beginning after December 15, 2024, and may be adopted on a prospective or retrospective basis. Early adoption is permitted. The Company intends to implement the new guidance in its income tax disclosures beginning with its Annual Report on Form 10-K for the year ending September 30, 2026.

In November 2024, the FASB issued ASU 2024-03 Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (“ASU 2024-03”) which requires entities to (i) disclose amounts of (a) purchase of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and, (e) depreciation, depletion, and amortization recognized as part of oil-and gas-producing activities, (ii) include certain amounts that are already required to be disclosed under U.S. GAAP in the same disclosures as other disaggregation requirements, (iii) disclose a qualitative description of the amounts remaining in relevant expense captions that are not necessarily disaggregated quantitatively, and (iv) disclose the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expense. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating ASU 2024-03 to determine the impact it may have on its consolidated financial statements.

**Note 3: Inventory**

The following table details the Company’s inventory as of December 31, 2025 and September 30, 2025 (in \$000’s):

Inventory, net	December 31, 2025	September 30, 2025
Raw materials	\$ 33,541	\$ 33,669
Work in progress	8,735	8,152
Finished goods	42,421	44,207
Merchandise	39,319	40,187
	<u>124,016</u>	<u>126,215</u>
Less: Inventory reserves	(5,804)	(5,499)
Total inventory, net	<u>\$ 118,212</u>	<u>\$ 120,716</u>

**Note 4: Property and Equipment**

The following table details the Company’s property and equipment as of December 31, 2025 and September 30, 2025 (in \$000’s):

Property and equipment, net:	December 31, 2025	September 30, 2025
Land	\$ 3,469	\$ 3,469
Building and improvements	41,658	41,164
Transportation equipment	3,262	3,313
Machinery and equipment	78,052	77,440
Furnishings and fixtures	6,395	6,355
Office, computer equipment and other	4,322	4,406
	<u>137,158</u>	<u>136,147</u>
Less: Accumulated depreciation	(60,980)	(58,636)
Total property and equipment, net	<u>\$ 76,178</u>	<u>\$ 77,511</u>

Depreciation expense was \$2.7 million and \$3.2 million for the three months ended December 31, 2025 and 2024, respectively.

**Note 5: Leases**

The Company leases retail stores, warehouse facilities, and office space. These assets and properties are generally leased under noncancelable agreements that expire at various future dates with many agreements containing renewal options for additional periods. The agreements, which have been classified as either operating or finance leases, generally provide for minimum rent and, in some cases, percentage rent, and require the Company to pay all insurance, taxes, and other maintenance costs. As a result, the Company recognizes assets and liabilities for all leases with lease terms greater than 12 months. The amounts recognized reflect the present value of remaining lease payments for all leases. The discount rate used is an estimate of the Company's blended incremental borrowing rate based on information available associated with each subsidiary's debt outstanding at lease commencement. In considering the lease asset value, the Company considers fixed and variable payment terms, prepayments and options to extend, terminate, or purchase. Renewal, termination, or purchase options affect the lease term used for determining lease asset value only if the option is reasonably certain to be exercised.

The following table details the Company's right-of-use assets and lease liabilities as of December 31, 2025 and September 30, 2025 (in \$000's):

	December 31, 2025	September 30, 2025
Right of use asset - operating leases	\$ 60,746	\$ 53,097
Lease liabilities:		
Current - operating	11,490	11,495
Current - finance	581	573
Long term - operating	54,439	46,375
Long term - finance	42,279	42,269

As of December 31, 2025, the weighted average remaining lease term for operating leases is 9.5 years. The Company's weighted average discount rate for operating leases is 9.8%. Total cash payments for operating leases for the three months ended December 31, 2025 and 2024 were approximately \$4.5 million and \$4.7 million, respectively. Additionally, the Company recognized approximately \$11.0 million in right-of-use assets and liabilities upon commencement of operating leases during the three months ended December 31, 2025.

Total present value of future lease payments of operating leases as of December 31, 2025 (in \$000's):

Twelve months ended December 31,	
2026	\$ 17,039
2027	14,844
2028	12,660
2029	9,785
2030	7,146
Thereafter	34,921
Total	96,395
Less implied interest	(30,466)
Present value of payments	\$ 65,929

As of December 31, 2025, the weighted average remaining lease term for finance leases is 26.0 years. The Company's weighted average discount rate for finance leases is 11.3%. Total cash payments for finance leases for the three months ended December 31, 2025 and 2024 were approximately \$1.1 million and \$1.0 million, respectively. Total interest paid for finance leases for the three months ended December 31, 2025 and 2024 was approximately \$1.1 and \$1.0, respectively.

Additionally, the Company recognized no right-of-use assets and liabilities upon commencement of finance leases during the three months ended December 31, 2025.

The Company records finance lease right-of-use assets as property and equipment. The balance, as of December 31, 2025 and September 30, 2025 is as follows (in \$000's):

	December 31, 2025	September 30, 2025
Property and equipment, at cost	\$ 27,102	\$ 27,102
Accumulated depreciation	(2,478)	(2,250)
Property and equipment, net	<u>\$ 24,624</u>	<u>\$ 24,852</u>

Total present value of future lease payments of finance leases as of December 31, 2025 (in \$000's):

Twelve months ended December 31,		
2026	\$	4,210
2027		4,305
2028		4,424
2029		4,534
2030		4,571
Thereafter		120,506
Total		142,550
Less implied interest		(99,690)
Present value of payments	\$	<u>42,860</u>

During each of the three months ended December 31, 2025 and 2024, the Company recorded no impairment charges relating to any of its leases.

**Note 6: Intangibles**

The following table details the Company's intangibles as of December 31, 2025 and September 30, 2025 (in \$000's):

	December 31, 2025	September 30, 2025
Intangible assets, net:		
Intangible assets - Tradenames	\$ 15,356	\$ 15,356
Intangible assets - Customer relationships	13,599	13,599
Intangible assets - Other	4,330	4,330
	<u>33,285</u>	<u>33,285</u>
Less: Accumulated amortization	(14,461)	(13,205)
Total intangibles, net	<u>\$ 18,824</u>	<u>\$ 20,080</u>

Amortization expense was \$1.3 million for the three months ended December 31, 2025 and 2024.

The following table summarizes estimated future amortization expense related to intangible assets that have net balances (in \$000's):

Twelve months ending December 31,	
2026	\$ 4,988
2027	4,910
2028	4,399
2029	3,974
2030	553
Total estimated future amortization expense	<u>\$ 18,824</u>

**Note 7: Goodwill**

The following table details the Company's goodwill as of September 30, 2025 and December 31, 2025 (in \$000's):

	Retail - Entertainment	Retail - Flooring	Flooring Manufacturing	Steel Manufacturing	Total
September 30, 2025	\$ 36,947	\$ 13,451	\$ 807	\$ 9,947	\$ 61,152
December 31, 2025	<u>\$ 36,947</u>	<u>\$ 13,451</u>	<u>\$ 807</u>	<u>\$ 9,947</u>	<u>\$ 61,152</u>

As of December 31, 2025, the Company did not identify any triggering events that would require impairment testing.

**Note 8: Accrued Liabilities**

The following table details the Company's accrued liabilities as of December 31, 2025 and September 30, 2025 (in \$000's):

	December 31, 2025	September 30, 2025
<b>Accrued liabilities:</b>		
Accrued payroll and bonuses	\$ 7,625	\$ 8,793
Accrued sales and use taxes	1,196	841
Accrued overdrafts	460	1,369
Accrued rent	1,035	982
Accrued customer deposits	3,272	3,681
Accrued gift card liability	2,160	2,038
Accrued interest payable	1,681	1,024
Accrued inventory	5,810	6,820
Accrued professional fees	841	702
Accrued expenses - other	3,463	5,584
Total accrued liabilities	<u>\$ 27,543</u>	<u>\$ 31,834</u>

**Note 9: Long-Term Debt**

Long-term debt as of December 31, 2025 and September 30, 2025 consisted of the following (in \$000's):

	December 31, 2025	September 30, 2025
Revolver loans	\$ 44,807	\$ 48,713
Equipment loans	8,761	9,617
Term loans	13,213	8,749
Other notes payable	11,105	11,509
Total notes payable	77,886	78,588
Less: unamortized debt issuance costs	(1,066)	(426)
Net amount	76,820	78,162
Less: current portion	(30,901)	(36,282)
Total long-term debt	\$ 45,919	\$ 41,880

Future maturities of long-term debt at December 31, 2025, are as follows which does not include related party debt (in \$000's):

Twelve months ending December 31,	
2026	\$ 30,901
2027	6,660
2028	30,001
2029	361
2030	208
Thereafter	8,689
Total future maturities of long-term debt	\$ 76,820

Bank of America Revolver Loan (Marquis)

On July 25, 2025, Marquis entered into an amended \$28.0 million revolving credit agreement (“BofA Revolver”) with Bank of America Corporation (“BofA”). The BofA Revolver is an asset-based facility that is secured by substantially all of Marquis’ assets. Availability under the BofA Revolver is subject to a monthly borrowing base calculation. Marquis’ ability to borrow under the BofA Revolver is subject to the satisfaction of certain conditions, including meeting all loan covenants under the credit agreement with BofA. The BofA Revolver has a variable interest rate and matures on July 31, 2026. As of December 31, 2025 and September 30, 2025, the outstanding balance was approximately \$8.1 million and \$11.8 million, respectively.

Legacy Corporate Lending (Precision Marshall)

On December 30, 2025, Precision Marshall, Kinetic, and Central Steel refinanced their Fifth Third Bank loans (see below) with a new credit facility with Legacy Corporate Lending. The refinanced facility totals \$47.0 million and consists of \$31.2 million in revolving credit (the “Legacy Revolver”), \$9.8 million in term lending (the “Legacy Term”), and \$6.0 million in Capex lending (the “Legacy Capex”). Borrowings under the Legacy Revolver bear interest at 4.25% per annum over the one-month Secured Overnight Financing Rate (“SOFR”), while the Legacy Term and Legacy Capex loans bear interest at 4.5% per annum over the one-month SOFR. In connection with the refinancing, Precision Marshall incurred approximately \$0.7 million in debt acquisition costs, which will be capitalized as a contra-liability and amortized over the three-year term of the facility. The refinancing provides additional lending capacity to support future growth. The facility matures on December 30, 2028. As of December 31, 2025, the outstanding balances on the Legacy Revolver, Legacy Term, and Legacy Capex were \$24.0 million, \$9.8 million, and \$0, respectively.

Loan with Fifth Third Bank (Precision Marshall)

Prior to its refinancing on December 30, 2025 (see above), Precision Marshall maintained a credit facility with Fifth Third Bank. As of December 31, 2025, all borrowings under the facility had been fully repaid in connection with the refinancing.

and Precision Marshall wrote off approximately \$58,000 of unamortized debt acquisition costs. Accordingly, the outstanding balances at December 31, 2025 and September 30, 2025 were approximately \$0 and \$23.0 million, respectively, for the revolving loan; \$0 and \$1.3 million, respectively, for the original M&E term note; \$0 and \$2.1 million, respectively, for Kinetic Term Loan #1; and \$0 and \$1.7 million, respectively, for the Capex loan.

*Eclipse Business Capital Loans (Flooring Liquidators)*

On January 8, 2026, Flooring Liquidators entered into an amended credit facility with Eclipse Business Capital, LLC (“Eclipse”), which extends the facility’s maturity date to February 18, 2026. The facility consists of \$25.0 million in revolving credit (“Eclipse Revolver”) and \$3.5 million in M&E lending (“Eclipse M&E”). The Eclipse Revolver is a three-year, asset-based facility that is secured by substantially all of Flooring Liquidators’ assets. Availability under the Eclipse Revolver is subject to a monthly borrowing base calculation. Flooring Liquidators’ ability to borrow under the Eclipse Revolver is subject to the satisfaction of certain conditions, including meeting all loan covenants under the credit agreement with Eclipse. The Eclipse Revolver bears interest at 3.5% per annum in excess of Adjusted Term SOFR. The Eclipse M&E loan bears interest at 5.0% per annum in excess of Adjusted Term SOFR. The extended maturity date provides Flooring Liquidators with time to negotiate and finalize the terms of a refinancing. As of December 31, 2025 and September 30, 2025, the outstanding balance on the Eclipse Revolver was approximately \$5.5 million and \$6.7 million, respectively, and the outstanding balance on the Eclipse M&E loan was approximately \$0.9 million and \$1.0 million, respectively.

*Loan with Fifth Third Bank (PMW)*

In connection with the acquisition of PMW, on July 20, 2023, PMW entered into a revolving credit facility (the “Revolving Credit Facility”) with Fifth Third Bank. The facility consists of \$15.0 million in revolving credit (the “Fifth Third Revolver”) and approximately \$5.0 million in M&E lending (the “Fifth Third M&E Loan”). The Fifth Third Revolver is a three-year, asset-based facility that is secured by substantially all of PMW’s assets. Availability under the Fifth Third Revolver is subject to a monthly borrowing base calculation. PMW’s ability to borrow under the Fifth Third Revolver is subject to the satisfaction of certain conditions, including meeting all loan covenants under the credit agreement with Fifth Third. Loans made under the Revolving Credit Facility are considered Reference Rate Loans, and bear interest at a rate equal to the sum of the Reference Rate plus the Applicable Margin. Reference Rate means the greater of (a) 3.0% or (b) the Lender’s publicly announced prime rate (which is not intended to be Lender’s lowest or most favorable rate in effect at any time) in effect from time to time. The Applicable Margin for revolving loans is zero, while for the Fifth Third M&E Loan or any Capital Expenditure Term Loan (as defined in the Revolving Credit Facility), it is 50 basis points (0.5%). The credit facility matures in July 2026. As of December 31, 2025 and September 30, 2025, the outstanding balance on the Fifth Third Revolver was approximately \$7.3 million and \$7.2 million, respectively, and the balance on the Fifth Third M&E Loan was approximately \$3.4 million and \$3.6 million, respectively.

*Bank Midwest Revolver Loan (Vintage)*

On October 17, 2025, Vintage entered into an amended \$8.0 million credit agreement with Bank Midwest (“Bank Midwest Revolver”). The amended Bank Midwest Revolver carries the same interest rate as the prior amendment and matures on October 17, 2026. As of December 31, 2025 and September 30, 2025, the outstanding balance on the Bank Midwest Revolver was \$0.

*Note payable to JCM Holdings (Marquis)*

During October 2020, Marquis purchased a manufacturing facility, which it had previously leased, for approximately \$2.5 million. Marquis entered into a \$2.0 million loan agreement, secured by the facility, with the seller of the facility, in order to complete the purchase of the facility. The loan bears interest at 6.0%, due monthly, and matures January 2030. As of December 31, 2025 and September 30, 2025, the outstanding principal balance was approximately \$1.0 million and \$1.1 million, respectively.

*Note Payable to Store Capital Acquisitions, LLC (Marquis)*

On June 14, 2016, Marquis entered into a transaction with Store Capital Acquisitions, LLC. The transaction included a sale-leaseback of land owned by Marquis and a loan secured by the improvements on such land. The total aggregate proceeds received from the sale of the land and the loan was \$10.0 million, which consisted of approximately \$0.6 million from the sale of the land and a note payable of approximately \$9.4 million. In connection with the transaction, Marquis entered into a lease with a 15-year term commencing on the closing of the transaction, which provides Marquis with an option to extend the lease upon the expiration of its term. The initial annual lease rate is \$60,000. The proceeds from this transaction were used to pay down the BofA Revolver and Term loans, and related party loan, as well as to purchase a

building from the previous owners of Marquis that was not purchased in the July 2015 transaction. The note payable bears interest at 8.3% per annum, with principal and interest due monthly. The note payable matures June 13, 2056. For the first five years of the note payable, there is a pre-payment penalty of 5%, which declines by 1% for each year the loan remains unpaid for the next five years. At the end of ten years, there is no pre-payment penalty. In connection with the note payable, Marquis incurred approximately \$458,000 in transaction costs that are being recognized as a debt issuance cost and are being amortized and recorded as interest expense over the term of the note payable. The remaining principal balance was approximately \$8.7 million as of each of December 31, 2025 and September 30, 2025.

Equipment Loans

On June 20, 2016 and August 5, 2016, Marquis entered into a transaction that provided for a master agreement and separate loan schedules (the “Equipment Loans”) with Banc of America Leasing & Capital, LLC that provided for the following as of December 31, 2025:

Note #7 is for \$5.0 million, secured by equipment. The Equipment Loan #7 is due February 2027, payable in 84 monthly payments of \$59,000 beginning March 2020, with the final payment of \$809,000, bearing interest at 3.2% per annum. As of December 31, 2025 and September 30, 2025, the balance was approximately \$1.5 million and \$1.7 million, respectively.

Note #8 is for approximately \$3.4 million, secured by equipment. The Equipment Loan #8 is due September 2027, payable in 84 monthly payments of \$46,000 beginning October 2020, bearing interest at 4.0%. As of December 31, 2025 and September 30, 2025, the balance was approximately \$0.9 million and \$1.1 million, respectively.

In December 2021, Marquis funded the acquisition of \$5.5 million of new equipment under Note #9 of its master agreement. The Equipment Loan #9, which is secured by the equipment, matures December 2026, and is payable in 60 monthly payments of \$92,000 beginning January 2022, with the final payment in the amount of approximately \$642,000, bearing interest at 3.75% per annum. As of December 31, 2025 and September 30, 2025, the balance was approximately \$1.6 million and \$1.9 million, respectively.

In December 2022, Marquis funded the acquisition of \$5.7 million of new equipment under Note #10 of its master agreement. The Equipment Loan #10, which is secured by the equipment, matures December 2029, and is payable in 84 monthly payments of \$79,000, beginning January 2023, with the final payment in the amount of approximately \$650,000, bearing interest at 6.50%. As of December 31, 2025 and September 30, 2025, the balance was approximately \$3.8 million and \$4.0 million, respectively.

**Note 10: Notes Payable-Related Parties**

Long-term debt payable to related parties (see Note 15) as of December 31, 2025 and September 30, 2025 consisted of the following (in \$000's):

	December 31, 2025	September 30, 2025
Isaac Capital Group, LLC revolver, 12.0% interest rate, matures April 2030	\$ 11,976	\$ 11,615
Spriggs Investments, LLC for Flooring Liquidators, 12.0% interest rate, matures July 2026	800	800
Isaac Capital Group, LLC, 12.0% interest rate, matures December 2029	2,645	2,645
Isaac Capital Group, LLC for Flooring Liquidators, 12.0% interest rate, matures January 2028	5,000	5,000
Total notes payable - related parties	20,421	20,060
Less: unamortized debt discount	(667)	(696)
Net amount	19,754	19,364
Less: current portion	(800)	(800)
Total long-term portion, related parties	\$ 18,954	\$ 18,564

Future maturities of notes to related parties at December 31, 2025 are as follows (in \$000's):

Twelve months ending December 31,	
2026	\$ 800
2028	4,959
2029	2,019
2030	11,976
Total future maturities of long-term debt, related parties	<u>\$ 19,754</u>

**Note 11: Related Party Seller Notes**

Seller notes as of December 31, 2025 and September 30, 2025 consisted of the following (in \$000's):

	December 31, 2025	September 30, 2025
Seller of Flooring Liquidators, 8.24% interest rate, matures February 2028	\$ 15,000	\$ 15,000
Seller of Kinetic, 7.0% interest rate, matures September 2027	3,000	3,000
Seller of Central Steel, 8.0% interest rate, matures May 2029	962	1,031
Total Seller notes payable - related parties	18,962	19,031
Less: unamortized debt discount	(734)	(811)
Net amount	18,228	18,220
Less: current portion	(275)	(275)
Long-term portion of Seller notes - related parties	<u>\$ 17,953</u>	<u>\$ 17,945</u>

Future maturities of seller notes at December 31, 2025 are as follows (in \$000's):

Twelve months ending December 31,	
2026	\$ 275
2027	3,275
2028	14,540
2029	138
Total	<u>\$ 18,228</u>

Note Payable to the Seller of Kinetic

In connection with the purchase of Kinetic, on June 28, 2022, Kinetic entered into an employment agreement with the previous owner of Kinetic to serve as its Head of Equipment Operations. The employment agreement is for an initial term of five years and shall be automatically extended in 90-day increments unless either party provides notice as required under the agreement. Additionally, Precision Marshall entered into a seller financed loan in the amount of \$3.0 million with the previous owner of Kinetic (the "Seller Subordinated Acquisition Note"). The Seller Subordinated Acquisition Note bears interest at 7.0% per annum, with interest payable quarterly in arrears, and has a maturity date of September 27, 2027. As of December 31, 2025 and September 30, 2025, the remaining principal balance was \$3.0 million.

Note Payable to the Seller of Flooring Liquidators

In connection with the purchase of Flooring Liquidators during January 2023, the Company entered into an employment agreement with the previous owner of Flooring Liquidators to serve as its Chief Executive Officer. The employment agreement is for an initial term of five years and shall be automatically extended in 90-day increments unless either party provides notice as required under the agreement. Additionally, the Company entered into a seller financed mezzanine loan, which is fully guaranteed by the Company, in the amount of \$34.0 million with the previous owners of Flooring Liquidators. The Seller Subordinated Acquisition Note ("Seller Note") bears interest at 8.24% per annum, with interest payable monthly in arrears beginning on January 18, 2024. The Seller Note has a maturity date of January 18, 2028. As of the acquisition date, an independent third-party valuation assigned the Seller Note a fair value of \$31.7 million, reflecting a \$2.3 million discount.

On February 25, 2025, Flooring Liquidators, Flooring Affiliated Holdings, and the Company entered into a binding Memorandum of Understanding (“MOU”) with the previous owner of Flooring Liquidators under which the principal amount of the Seller Note was reduced from \$34.0 million to \$15.0 million. The relevant portion of the MOU was later superseded by a Second Amendment to Seller Note. The Seller Note bears interest at 8.24% per annum effective January 1, 2025, and matures in February 2028, with interest payments due monthly beginning February 2025. The Company determined that the fair value of the amended Seller Note was approximately \$14.0 million, reflecting a \$1.0 million discount. In an event of default under the Seller Note, or if the Company defaults in making any payment it is required to make pursuant to the Seller Note, the note holders may revoke the principal reduction, in which case the aggregate outstanding principal balance of the Seller Note will increase by \$19.0 million to \$34.0 million. As of December 31, 2025 and September 30, 2025, the carrying value of the Sellers Note was approximately \$15.0 million.

*Note Payable to the Seller of Central Steel*

In connection with the purchase of Central Steel, on May 15, 2024, Precision Marshall entered into an employment agreement with the previous owner of Central Steel to serve as its President. The employment agreement is for an initial term of two years and shall be deemed to be automatically extended, upon the same terms and conditions, for a period of one year, unless either party provides written notice of its or his intention not to extend the term at least 90 days prior to the end of the initial term. Additionally, Precision Marshall entered into a seller financed loan in the amount of \$1.1 million with the previous owner of Central Steel (the “Sellers Subordinated Promissory Note”). The Sellers Subordinated Promissory Note bears interest at 8.0% per annum, with interest payable quarterly in arrears. The Sellers Subordinated Promissory Note has a maturity date of May 15, 2029. As of December 31, 2025 and September 30, 2025, the remaining principal balance was \$0.9 million and \$1.0 million, respectively.

**Note 12: Stockholders’ Equity**

*Series E Convertible Preferred Stock*

As of each of December 31, 2025 and September 30, 2025, there were 47,840 shares of Series E Convertible Preferred Stock issued and outstanding.

*Treasury Stock*

As of each of December 31, 2025 and September 30, 2025, the Company had 754,391 shares of Treasury Stock. During the three months ended December 31, 2024, the Company repurchased 15,686 shares of its common stock for approximately \$157,000, and the average price paid per share was \$10.01. The Company did not repurchase any shares of its common stock during the three months ended December 31, 2025.

**Note 13: Stock-Based Compensation**

Our 2014 Omnibus Equity Incentive Plan (the “2014 Plan”) authorizes the issuance of distribution equivalent rights, incentive stock options, non-qualified stock options, performance stock, performance units, restricted ordinary shares, restricted stock units, stock appreciation rights, tandem stock appreciation rights and unrestricted ordinary shares to our directors, officer, employees, consultants, and advisors. The Company has reserved up to 300,000 shares of common stock for issuance under the 2014 Plan.

From time to time, the Company grants stock options to directors, officers, and employees. These awards are valued at the grant date by determining the fair value of the instruments. The value of each award is amortized on a straight-line basis over the requisite service period.

The following table summarizes stock option activity for the fiscal year ended September 30, 2025 and the three months ended December 31, 2025:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Intrinsic Value
Outstanding at September 30, 2024	60,000	\$ 26.04	1.29	\$ 130
Forfeited	(35,000)	\$ 37.50		
Outstanding at December 31, 2024	25,000	\$ 10.00	0.04	\$ —
Exercisable at December 31, 2024	25,000	\$ 10.00	0.04	\$ —
Outstanding at September 30, 2025	0	\$ —	0	\$ —
Outstanding at December 31, 2025	0	\$ —	0	\$ —
Exercisable at December 31, 2025	0	\$ —	0	\$ —

The Company recognized compensation expense of approximately \$51,000 during the three months ended December 31, 2025 and 2024 related to restricted stock awards granted to certain employees and officers based on the grant date fair value of the awards, and the revaluation for existing options whereby the expiration date was extended.

As of December 31, 2025, the Company had approximately \$0.4 million of unrecognized compensation expense associated with restricted stock awards.

#### Note 14: Earnings Per Share

Net income per share is calculated using the weighted average number of shares of common stock outstanding during the applicable period. Basic weighted average common shares outstanding do not include shares of restricted stock that have not yet vested, although such shares are included as outstanding shares in the Company's Unaudited Condensed Consolidated Balance Sheet. Diluted net income per share is computed using the weighted average number of common shares outstanding and, when dilutive, potential common shares outstanding during the period. Diluted earnings per common share ("EPS") reflects the impact of common shares issuable from stock options and restricted stock units under the treasury stock method, as well as shares issuable upon the conversion of debt and convertible preferred stock under the if-converted method. Preferred stock dividends are subtracted from net earnings to determine the amount available to common stockholders.

The following table presents the computation of basic and diluted net earnings per share (in \$000's):

	Three Months Ended December 31,	
	2025	2024
<i>Basic</i>		
Net (loss) income	\$ (64)	\$ 492
Weighted average common shares outstanding	3,071,656	3,124,581
Basic (loss) earnings per share	\$ (0.02)	\$ 0.16
<i>Diluted</i>		
Net (loss) income applicable to common stock	\$ (64)	\$ 492
Net (loss) income applicable for diluted earnings per share	\$ (64)	\$ 492
Weighted average common shares outstanding	3,071,656	3,124,581
Add: Series E Preferred Stock	—	239
Assumed weighted average common shares outstanding	3,071,656	3,124,820
Diluted (loss) earnings per share	\$ (0.02)	\$ 0.16

Basic EPS is computed by dividing net income by the weighted average number of shares of Common Stock outstanding for the period. Diluted EPS is computed by dividing net income by the sum of the weighted average number of shares of Common Stock outstanding and the effect of dilutive securities. No diluted EPS computation was made for the three

months ended December 31, 2025, as the Company recorded a net loss. Had the Company calculated diluted EPS for the three months ended December 31, 2025, the total assumed weighted average common shares outstanding would have been 4,641,850 and included 29,110 restricted stock units and approximately 1.5 million shares issuable upon the conversion of debt.

**Note 15: Related Party Transactions**

Transactions with Isaac Capital Group, LLC

Jon Isaac, the Company's President and Chief Executive Officer, is the President and sole member of ICG and therefore has sole voting and dispositive power over the shares of the Company held by ICG. If ICG were to convert all of its outstanding convertible debt (see below), it would beneficially control approximately 67.5% of the outstanding voting power of the Company.

ICG Revolving Promissory Note

On April 9, 2020, the Company entered into an unsecured revolving line of credit promissory note whereby ICG agreed to provide the Company with a \$1.0 million revolving credit facility (the "ICG Revolver"). On June 23, 2022, as amended by unanimous consent of the Board of Directors, the facility was increased to \$6.0 million. No other terms of the note were changed. On April 1, 2023, the Company entered into the First Amendment of the ICG Revolver that extended the maturity to April 8, 2024 and increased the interest rate from 10.0% to 12.0% per annum, and decreased the amount of available revolving credit under the facility to \$1.0 million. On January 11, 2024, the Company entered into the Third Amendment of the ICG Revolver that extended the maturity date to April 8, 2025 and increased the amount of available revolving credit under the facility to \$5.0 million.

On April 8, 2025, the Company entered into the Fourth Amendment to the ICG Revolver, which (i) extended the maturity date to April 8, 2030, (ii) increased the amount of available revolving credit under the facility to \$12.0 million, and (iii) established a Fixed Conversion Price of \$7.85 per share for obligations outstanding under the ICG Revolver, exercisable at the discretion of Mr. Isaac. The Company evaluated the amendment under ASC 470-50 and concluded that the transaction represented an extinguishment of the existing debt given that the amendment introduced a substantive conversion feature. Management assessed the fair value of the amended instrument as of the amendment date. That assessment indicated that the fair value of the amended note, inclusive of the conversion feature, exceeded the fair value of the note without the conversion feature by approximately \$6.0 million, which was treated as a non-cash capital contribution from the lender for accounting purposes because the lender was the majority shareholder of the Company. Accordingly, the Company recorded the excess as a distribution from Retained Earnings, with a corresponding credit to Additional Paid-In Capital, which is presented on the Condensed Consolidated Statements of Changes in Stockholders' Equity as an "In-Substance Distribution".

As of December 31, 2025, Jon Isaac, through ICG, had the contractual right to acquire up to 1,540,832 shares of the Company's common stock, based on the outstanding balance of the debt as of that date. As of December 31, 2025, no obligations under the ICG Revolver have been converted into the Company's common stock. As of December 31, 2025 and September 30, 2025, the outstanding balance on this note was approximately \$12.0 million and \$11.6 million, respectively.

ICG Flooring Liquidators Note

On January 18, 2023, in connection with the acquisition of Flooring Liquidators, Flooring Affiliated Holdings, LLC, a wholly-owned subsidiary of the Company, as borrower, entered into a promissory note for the benefit of ICG in the amount of \$5.0 million ("ICG Flooring Liquidators Loan"). The ICG Flooring Liquidators Loan matures on January 18, 2028, and bears interest at 12% per annum. Interest is payable in arrears on the last day of each calendar month. The note is fully guaranteed by the Company. As of December 31, 2025 and September 30, 2025, the outstanding balance on this note was \$5.0 million.

ICG PMW Note

On December 14, 2024, in connection with the Settlement Agreement of the PMW Seller Financed Loans, the Company, as borrower, entered into a promissory note for the benefit of ICG in the amount of approximately \$2.6 million ("ICG PMW Note"). The Company received proceeds of approximately \$1.9 million from ICG, which was used to settle the loans plus accrued interest. The \$0.7 million discount is being accreted to interest expense.

using the effective interest rate method, as required by U.S. GAAP, over the term of the note. The ICG PMW Note matures on December 17, 2029, and bears interest at the contractual rate of 12.0% per annum. Interest is payable in arrears on the first business day of each month commencing on January 2, 2025. As of December 31, 2025 and September 30, 2025, the balance on this loan was approximately \$2.6 million.

Transactions with Vintage Stock CEO

Rodney Spriggs, the President and Chief Executive Officer of Vintage Stock, a wholly owned subsidiary of the Company, is the sole member of Spriggs Investments, LLC (“Spriggs Investments”).

Spriggs Promissory Note II

On January 19, 2023, in connection with the acquisition of Flooring Liquidators, the Company executed a promissory note in favor of Spriggs Investments in the initial principal amount of \$1.0 million (the “Spriggs Loan II”). The Spriggs Loan II matures on July 31, 2024, and bears interest at a rate of 12.0% per annum. On February 29, 2024, the Company entered into a loan modification agreement of the Spriggs Loan II. Under the loan modification agreement, upon full principal repayment of the Spriggs Promissory Note I, the Company will make principal payments of not less than \$300,000, per each 90-day period, until the Spriggs Loan II is fully repaid. Further, under the loan modification agreement, the maturity date of the Spriggs Loan II was extended to July 31, 2025. On July 30, 2025, the Company entered into a loan modification agreement of the Spriggs Loan II that extends the maturity date to July 31, 2026. All monthly payments under the original Spriggs Loan II remain in effect through the maturity date as amended. As of December 31, 2025 and September 30, 2025, the principal amount owed was \$0.8 million.

Transactions with ALT5 Sigma Corporation, formerly JanOne Inc.

Tony Isaac, a member of the Company’s board of directors and the father of the Company’s President and Chief Executive Officer, Jon Isaac, currently serves as the Interim Chief Executive Officer, President, and a director of ALT5 Sigma Corporation (“ALT5”), formerly JanOne Inc.

Lease Agreement

Customer Connexx LLC, formerly a subsidiary of ALT5, previously rented approximately 9,900 square feet of office space from the Company at its Las Vegas office, which totals 16,500 square feet. ALT5 paid the Company \$59,000 and \$27,000 in rent and other reimbursed expenses for three months ended December 31, 2025 and 2024, respectively.

Transactions with Spyglass Estate Planning, LLC

Jon Isaac, the Company's President and Chief Executive Officer, is the sole member of Spyglass Estate Planning, LLC (“Spyglass”).

Building Leases

On July 1, 2022, in connection with its acquisition of certain assets and intellectual property of Better Backers, Inc., Marquis entered into two building leases with Spyglass. The building leases are for 20 years with two options to renew for an additional five years each. The provisions of the lease agreements include an initial 24-month month-to-month rental period, during which the lessee may cancel with 90-day notice, followed by a 20-year lease term with two five-year renewal options. The Company has evaluated each lease and determined the rental amounts to be at market rates.

Seller Notes

The Company routinely enters into related-party seller notes in conjunction with its acquisitions. See Note 11 for the details related to existing seller notes.

**Note 16: Commitments and Contingencies**

*Litigation*

SEC Investigation

On February 21, 2018, the Company received a subpoena from the SEC and a letter from the SEC stating that it was conducting an investigation. The subpoena requested documents and information concerning, among other things, the restatement of the Company's financial statements for the quarterly periods ended December 31, 2016, March 31, 2017, and June 30, 2017, the acquisition of Marquis Industries, Inc., Vintage Stock, Inc., and ApplianceSmart, Inc., and the change in auditors. On August 12, 2020, three of the Company's corporate executive officers (together, the "Executives") each received a "Wells Notice" from the Staff of the SEC relating to the Company's SEC investigation. On October 7, 2020, the Company received a "Wells Notice" from the Staff of the SEC relating to the SEC investigation. The Wells Notices related to, among other things, the Company's reporting of its financial performance for its fiscal year ended September 30, 2016, certain disclosures related to executive compensation, and its previous acquisition of ApplianceSmart, Inc. A Wells Notice is neither a formal charge of wrongdoing nor a final determination that the recipient has violated any law. The Wells Notices informed the Company and the Executives that the SEC Staff had made a preliminary determination to recommend that the SEC file an enforcement action against the Company and each of the Executives to allege certain violations of the federal securities laws. On October 1, 2018, the Company received a letter from the SEC requesting information regarding a potential violation of Section 13(a) of the Securities Exchange Act of 1934, based upon the timing of the Company's Form 8-K filed on February 14, 2018. The Company cooperated fully with the SEC inquiry and provided a response to the SEC on October 26, 2018.

On August 2, 2021, the SEC filed a civil Complaint in the United States District Court for the District of Nevada naming the Company and two of its executive officers – Jon Isaac, the Company's current President and Chief Executive Officer, and Virland Johnson, the Company's former Chief Financial Officer, as defendants (collectively, the "Company Defendants") as well as certain other related third parties (the "SEC Complaint"). The SEC Complaint alleges various financial, disclosure, and reporting violations related to income and earnings per share data, purported undisclosed stock promotion and trading, purported inaccurate disclosure regarding beneficial ownership of common stock, and undisclosed executive compensation from 2016 through 2018. The violations are brought under Section 10(b) of the Exchange Act and Rule 10b-5; Sections 13(a), 13(b)(2)(B) and 13(b)(5) of the Exchange Act and Rules 12b-20, 13a-1, 13a-14, 13a-13, 13b2-1, 13b2-2; Section 14(a) of the Exchange Act and Rule 14a-3; and Section 17(a) of the Securities Act of 1933. The SEC seeks permanent injunctions against the Company Defendants, permanent officer-and-director bars, disgorgement of profits, and civil penalties. The foregoing is only a general summary of the SEC Complaint, which may be accessed on the SEC's website at [www.sec.gov/litigation/litreleases/2021/lr25155.htm](http://www.sec.gov/litigation/litreleases/2021/lr25155.htm).

On October 1, 2021, the Company Defendants and third-party defendants moved to dismiss the SEC complaint. On September 7, 2022, the court denied the Company Defendants' Motion to Dismiss, but granted one of the third-party defendant's Motions to Dismiss, granting the SEC leave to file an Amended Complaint. On September 21, 2022, the SEC filed an Amended Complaint to which the Company Defendants filed an Answer on October 11, 2022, denying liability. The court subsequently entered a discovery scheduling order and the parties exchanged initial disclosures. The parties participated in a mediation in June 2023. The mediation was not successful. Fact discovery was completed on May 20, 2024. The parties completed expert discovery in September 2024 and filed cross Motions for Summary Judgment in October 2024. The court has not ruled on the motions for summary judgment and the case is on hold until the motions are ruled upon.

Sieggreen Class Action

On August 13, 2021, Daniel E. Sieggreen, individually and on behalf of all others similarly situated claimants (the "Plaintiff"), filed a class action Complaint for violation of federal securities laws in the United States District Court for the District of Nevada, naming the Company, Jon Isaac, the Company's current President and Chief Executive Officer, and Virland Johnson, the Company's former Chief Financial Officer, as defendants (collectively, the "Company Defendants"). The allegations asserted are similar to those in the SEC Complaint. Among other sought relief, the complaint seeks damages in connection with the purchases and sales of the Company's securities between December 28, 2016 and August 3, 2021. As of December 17, 2021, the judge granted a stipulation to stay proceedings pending the resolutions of the Motions to Dismiss in the SEC Complaint. On February 1, 2023, the final Motion to Dismiss relating to the SEC Complaint was denied, which was subsequently noticed in the Sieggreen action on February 2, 2023. Plaintiff filed an Amended Complaint on March 6, 2023. On May 5, 2023, the Company Defendants filed a Motion to Dismiss the Amended Complaint. The Motion to Dismiss was heard and granted with Leave to Amend on September 30, 2024. The Second Amended Complaint was filed on October 31, 2024. We filed a Motion to Dismiss the Second Amended Complaint on December 16, 2024 and the briefing is complete. On September 30, 2025, the Court denied the motion to dismiss the

Second Amended Complaint. The Company filed its response on December 1, 2025, and fact and expert discovery is scheduled to conclude by June 29, 2027.

Wage and Hour Matter

On July 27, 2022, Irma Sanchez, a former employee of Elite Builder Services, Inc. (“Elite Builders”), filed a class action Complaint against Elite Builders in the Superior Court of California, County of Alameda, which case was transferred to Stanislaus County. The Complaint alleges that Elite Builders failed to pay all minimum and overtime wages, failed to provide lawful meal periods and rest breaks, failed to provide accurate itemized wage statements, and failed to pay all wages due upon separation as required by California law. The Complaint was later amended as a matter of right on October 4, 2022. Ms. Sanchez also notified the Labor & Workforce Development Agency of her intent to exhaust administrative remedies and pursue additional claims under the California Labor Code Private Attorneys General Act (“PAGA”), which permits employees to assert claims for certain Labor Code violations on behalf of all aggrieved employees to recover statutory penalties. The parties agreed to mediation and exchanged materials in preparation. However, opposing counsel has repeatedly postponed mediation following an initial request and missed a key deadline to compel discovery. As of now, no mediation has been scheduled.

General

The Company is involved in various claims and lawsuits arising in the normal course of business. The ultimate results of claims and litigation cannot be predicted with certainty. The Company currently believes that the ultimate outcome of such lawsuits and proceedings will not, individually, or in the aggregate, have a material adverse effect on our condensed consolidated financial position, results of operations or cash flows. As applicable, liabilities pertaining to these matters, that are probable and estimable, have been accrued.

**Note 17: Segment Reporting**

Live Ventures Incorporated is a diversified holding company that acquires and operates businesses across industries with a demonstrated history of earnings power. In accordance with ASC 280, *Segment Reporting*, the Company has identified four reportable segments: Retail-Entertainment, Retail-Flooring, Flooring Manufacturing, and Steel Manufacturing. This segmentation reflects how the Chief Operating Decision Maker (“CODM”), consisting of the Company’s Chief Executive Officer and Chief Financial Officer, evaluates financial performance and allocates resources across the Company’s operations. The Corporate and Other segment does not meet the criteria to be presented as a reportable segment under ASC 280.

The CODM regularly evaluates segment performance using revenue, gross profit, gross profit margin, income (loss) before income taxes, and Adjusted Earnings Before Interest, Income Taxes, Depreciation and Amortization (“Adjusted EBITDA”). These measures are used to allocate the Company’s resources and assess operating effectiveness.

Adjusted EBITDA is a non-GAAP financial measure defined as net income (loss) before interest expense, interest income, income taxes, depreciation, amortization, stock-based compensation, and other non-cash or nonrecurring charges. The CODM considers Adjusted EBITDA a key indicator of the Company’s operational strength and performance, including its ability to fund acquisitions, support capital expenditures, and service debt. It is used to evaluate operating results, perform analytical comparisons, and identify strategies to improve performance.

To preserve the integrity of each operating segment’s standalone financial results, all intercompany eliminations, including sales, cost of goods sold, inventory profit, and intercompany management fees are reported under Intercompany Eliminations. Total assets are not utilized by the CODM in evaluating segment performance or allocating resources. Accordingly, asset information is excluded from the Company’s segment reporting disclosures. Discrete financial information is provided for each reportable segment, including comparisons of actual results to the prior period and current period forecast.

The following is a description of each of the Company’s reportable segments:

- The Retail-Entertainment segment, which includes Vintage Stock, offers a wide range of entertainment products, both new and pre-owned, including movies, video games, and music. It also sells ancillary items such as books, comics, toys, and collectibles, all within a single retail footprint.

- The Retail-Flooring segment, which includes Flooring Liquidators, operates 25 warehouse-format stores and a design center across four states. It serves as a leading retailer and installer of flooring, carpeting, and countertops for consumers, builders, and contractors in California and Nevada.
- The Flooring Manufacturing segment, which includes Marquis, is a vertically integrated manufacturer and distributor of carpet and hard surface flooring products, serving residential, niche commercial, and hospitality end markets.
- The Steel Manufacturing segment includes:
  - Precision Marshall, which supplies over 500 steel distributors with Deluxe Alloy Plate, Deluxe Tool Steel Plate, Precision Ground Flat Stock, and Drill Rod.
  - Kinetic, a recognized brand in industrial knives and hardened wear products for the tissue, metals, and wood industries, offering in-house grinding, machining, and heat-treating capabilities.
  - PMW, which provides metal forming, assembly, and finishing solutions across industries such as appliance, automotive, hardware, electrical, electronics, and medical devices.
  - Central Steel, which manufactures specialized fabricated metal products primarily for data centers, including cable racks, auxiliary framing, hardware, insulation products, and network bays.

This segmentation aligns with the internal reporting structure used by the CODM to evaluate performance and guide strategic decision-making. The CODM does not review any measures of significant segment expenses beyond those reflected in the tables below (in \$000's):

Three Months Ended December 31, 2025	Retail-Entertainment	Retail-Flooring	Flooring Manufacturing	Steel Manufacturing	Total Reportable Segments	Corporate and Other	Intercompany Eliminations	Total
Revenue	\$ 23,621	\$ 25,327	\$ 28,861	\$ 31,862	\$ 109,671	\$ 7	\$ (1,134)	\$ 108,544
Cost of revenue	10,048	17,301	21,636	25,514	74,499	5	(1,313)	73,191
Gross profit	13,573	8,026	7,225	6,348	35,172	2	179	35,353
Gross profit percentage	57.5%	31.7%	25.0%	19.9%	32.1%	—%	—%	32.6%
Operating expenses:								
General and administrative expenses	8,732	11,483	1,383	4,597	26,195	1,168	479	27,842
Sales and marketing expenses	175	231	3,517	131	4,054	6	—	4,060
Total operating expenses	8,907	11,714	4,900	4,728	30,249	1,174	479	31,902
Operating income (loss)	4,666	(3,688)	2,325	1,620	4,923	(1,172)	(300)	\$ 3,451
Other income (expense):								
Interest expense, net	11	(904)	(938)	(1,229)	(3,060)	(501)	—	(3,561)
Other income (expense), net	22	38	9	(53)	16	5	—	21
Total income (expense), net	33	(866)	(929)	(1,282)	(3,044)	(496)	—	(3,540)
Income (loss) before income taxes	\$ 4,699	\$ (4,554)	\$ 1,396	\$ 338	\$ 1,879	\$ (1,668)	\$ (300)	\$ (89)

Adjusted EBITDA	Retail-Entertainment	Retail-Flooring	Flooring Manufacturing	Steel Manufacturing	Total Reportable Segments	Corporate and Other	Intercompany Eliminations	Total
Income (loss) before income taxes	\$ 4,699	\$ (4,554)	\$ 1,396	\$ 338	\$ 1,879	\$ (1,668)	\$ (300)	\$ (89)
Interest expense, net	(11)	904	938	1,229	3,060	501	—	3,561
Depreciation and amortization	279	1,299	941	1,403	3,922	4	—	3,926
Other adjustments	—	50	—	344	394	—	—	394
Adjusted EBITDA	\$ 4,967	\$ (2,301)	\$ 3,275	\$ 3,314	\$ 9,255	\$ (1,163)	\$ (300)	\$ 7,792

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Three Months Ended December 31, 2024	Retail-Entertainment	Retail-Flooring	Flooring Manufacturing	Steel Manufacturing	Total Reportable Segments	Corporate and Other	Intercompany Eliminations	Total
Revenue	\$ 21,274	\$ 31,747	\$ 29,168	\$ 33,287	\$ 115,476	\$ 56	\$ (4,024)	\$ 111,508
Cost of revenue	9,230	19,944	22,913	27,310	79,397	5	(3,256)	76,146
Gross profit	12,044	11,803	6,255	5,977	36,079	51	(768)	35,362
Gross profit percentage	56.6%	37.2%	21.4%	18.0%	31.2%	—%	—%	31.7%
Operating expenses:								
General and administrative expenses	8,480	13,709	1,634	4,646	28,469	1,602	—	30,071
Sales and marketing expenses	157	267	3,970	129	4,523	6	—	4,529
Total operating expenses	8,637	13,976	5,604	4,775	32,992	1,608	—	34,600
Operating income (loss)	3,407	(2,173)	651	1,202	3,087	(1,557)	(768)	\$ 762
Other income (expense):								
Interest expense, net	(39)	(1,320)	(1,115)	(1,457)	(3,931)	(231)	—	(4,162)
Other income, net	150	26	47	3,532	3,755	218	—	3,973
Total income (expense), net	111	(1,294)	(1,068)	2,075	(176)	(13)	—	(189)
Income (loss) before income taxes	\$ 3,518	\$ (3,467)	\$ (417)	\$ 3,277	\$ 2,911	\$ (1,570)	\$ (768)	\$ 573
<b>Adjusted EBITDA</b>								
Income (loss) before income taxes	\$ 3,518	\$ (3,467)	\$ (417)	\$ 3,277	\$ 2,911	\$ (1,570)	\$ (768)	\$ 573
Interest expense, net	39	1,320	1,115	1,457	3,931	231	—	4,162
Depreciation and amortization	253	1,314	935	1,909	4,411	5	(1)	4,415
Other adjustments	—	50	—	(3,456)	(3,406)	—	—	(3,406)
Adjusted EBITDA	\$ 3,810	\$ (783)	\$ 1,633	\$ 3,187	\$ 7,847	\$ (1,334)	\$ (769)	\$ 5,744

**Note 18: Subsequent Events**

The Company has evaluated subsequent events through the filing of this Form 10-Q, and determined that there have been no events that have occurred that would require adjustments to disclosures in its condensed consolidated financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For a description of our significant accounting policies and an understanding of the significant factors that influenced our performance during the three months ended December 31, 2025, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" (hereafter referred to as "MD&A") should be read in conjunction with the condensed consolidated financial statements, including the related notes, appearing in Part I, Item 1 of this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended September 30, 2025 (the "2025 Form 10-K").

### Note about Forward-Looking Statements

This Quarterly Report on Form 10-Q includes statements that constitute "forward-looking statements." These forward-looking statements are often characterized by the terms "may," "believes," "projects," "intends," "plans," "expects," or "anticipates," and do not reflect historical facts.

Specific forward-looking statements contained in this portion of the Quarterly Report include, but are not limited to: (i) statements that are based on current projections and expectations about the markets in which we operate, (ii) statements about current projections and expectations of general economic conditions, (iii) statements about specific industry projections and expectations of economic activity, (iv) statements relating to our future operations, prospects, results, and performance, (v) statements that the cash on hand and additional cash generated from operations together with potential sources of cash through issuance of debt or equity will provide the Company with sufficient liquidity for the next 12 months, and (vi) statements that the outcome of pending legal proceedings will not have a material adverse effect on business, financial position and results of operations, cash flow or liquidity.

Forward-looking statements involve risks, uncertainties, and other factors, which may cause our actual results, performance, or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results, future performance and capital requirements and cause them to materially differ from those contained in the forward-looking statements include those identified in our 2025 Form 10-K under Item 1A "Risk Factors" and Part II, Item 1A. "Risk Factors" below, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.

In addition, the foregoing factors may generally affect our business, results of operations and financial position. Forward-looking statements speak only as of the date the statements were made. We do not undertake and specifically decline any obligation to update any forward-looking statements except as required by federal securities laws. Any information contained on our website [www.liveventures.com](http://www.liveventures.com) or any other websites referenced in this Quarterly Report are not incorporated into and should not be deemed a part of this Quarterly Report.

### Our Company

Live Ventures Incorporated is a holding company of diversified businesses, which, together with our subsidiaries, we refer to as the "Company", "Live Ventures", "we", "us" or "our". We acquire and operate companies in various industries that have historically demonstrated a strong history of earnings power. We currently have five segments to our business: Retail-Entertainment, Retail-Flooring, Flooring Manufacturing, Steel Manufacturing, and Corporate and Other.

Under the Live Ventures brand, we seek opportunities to acquire profitable and well-managed companies. We work closely with consultants who help us identify target companies that fit within the criteria we have established for opportunities that will provide synergies with our businesses.

Our principal offices are located at 8548 Rozita Lee Ave., Suite 305, Las Vegas, Nevada 89113, our telephone number is (702) 939-0231, and our corporate website (which does not form part of this Quarterly Report on Form 10-Q) is located at [www.liveventures.com](http://www.liveventures.com). Our common stock trades on the Nasdaq Capital Market under the symbol "LIVE".

### Retail-Entertainment Segment

Our Retail-Entertainment Segment is composed of Vintage Stock, Inc., doing business as Vintage Stock, V-Stock, Movie Trading Company and EntertainMart (collectively, "Vintage Stock").

Vintage Stock is an award-winning specialty entertainment retailer that offers a large selection of entertainment products, including new and pre-owned movies, video games and music products, as well as ancillary products, such as books,

comics, toys and collectibles, in a single location. With its integrated buy-sell-trade business model, Vintage Stock buys, sells and trades new and pre-owned movies, music, video games, electronics and collectibles through 73 retail locations strategically positioned across Alabama, Arkansas, Colorado, Idaho, Illinois, Kansas, Missouri, Montana, Nebraska, New Mexico, Oklahoma, Tennessee, Texas, and Utah.

### **Retail-Flooring Segment**

Our Retail-Flooring Segment is composed of Flooring Liquidators, Inc. (“Flooring Liquidators”).

Flooring Liquidators is a leading retailer and installer of flooring, carpeting, and countertops to consumers, builders, and contractors in California and Nevada, operating 25 warehouse-format stores and a design center. Over the years, the company has established a strong reputation for innovation, efficiency, and service in the home renovation and improvement market. Flooring Liquidators serves retail and builder customers through two businesses: retail customers through its Flooring Liquidators retail stores, and builder and contractor customers through Elite Builder Services, Inc.

### **Flooring Manufacturing Segment**

Our Flooring Manufacturing segment is comprised of Marquis Industries, Inc. (“Marquis”).

Marquis is a leading carpet manufacturer and distributor of carpet and hard-surface flooring products. Over the last decade, Marquis has been an innovator and leader in the value-oriented polyester carpet sector, which is currently the market’s fastest-growing fiber category. Marquis focuses on the residential, niche commercial, and hospitality end-markets and serves thousands of customers.

Since commencing operations in 1995, Marquis has built a strong reputation for outstanding value, styling, and customer service. Its innovation has yielded products and technologies that differentiate its brands in the flooring marketplace. Marquis’s state-of-the-art operations enable high quality products, unique customization, and short lead-times. Furthermore, the Company has recently invested in additional capacity to grow several attractive lines of business, including printed carpet and yarn extrusion.

### **Steel Manufacturing Segment**

Our Steel Manufacturing segment is comprised of Precision Metal Works, Inc. (“PMW”), Precision Industries, Inc. (“Precision Marshall”), and its wholly-owned subsidiaries The Kinetic Co., Inc. (“Kinetic”), and Central Steel Fabricators, LLC. (“Central Steel”).

#### *Precision Marshall*

Precision Marshall is the North American leader in providing and manufacturing pre-finished de-carb free tool and die steel. For over 75 years, Precision Marshall has served steel distributors through quick and accurate service. Precision Marshall has led the industry with exemplary availability and value-added processing that saves distributors time and processing costs.

Founded in 1948, Precision Marshall “The Deluxe Company” has built a reputation of high integrity, speed of service, and doing things the “Deluxe Way”. The term Deluxe refers to all aspects of the product and customer service to be head and shoulders above the rest. From order entry to packaging and delivery, Precision Marshall makes it easy to do business and backs all products and service with a guarantee.

Precision Marshall provides four key products to over 500 steel distributors in four product categories: Deluxe Alloy Plate, Deluxe Tool Steel Plate, Precision Ground Flat Stock, and Drill Rod. With over 5,000 distinct size grade combinations in stock every day, Precision Marshall arms tool steel distributors with deep inventory availability and same day shipment to their place of business or often ships direct to their customer saving time and handling.

On June 28, 2022, Precision Marshall acquired Kinetic. Kinetic is a highly recognizable and regarded brand name in the production of industrial knives and hardened wear products for the tissue, metals, and wood industries and is known as a one-stop shop for in-house grinding, machining, and heat-treating. Kinetic is headquartered in Greendale, Wisconsin. Kinetic manufactures more than 90 types of knives and numerous associated parts with modifications and customizations available to each. Kinetic employs approximately 100 non-union employees.

On July 20, 2023, Live acquired PMW. Founded in 1947 in Louisville, Kentucky, PMW manufactures and supplies highly engineered parts and components across 400,000 square feet of manufacturing space. PMW offers world-class metal forming, assembly, and finishing solutions across diverse industries, including appliance, automotive, hardware, electrical, electronic, medical products, and devices.

On May 17, 2024, Precision Marshall acquired Central Steel. Founded in 1969 in Chicago, Illinois, Central Steel is a manufacturer of specialized fabricated metal products. Central Steel offers over 2,300 unique products to more than 500 customers. Its extensive product line, primarily for data centers, includes cable racks, auxiliary framing, hardware, insulation products, and network bays.

#### **Corporate and Other Segment**

Our Corporate and Other segment consists of certain corporate general and administrative costs, and operations of certain legacy products and service offerings for which we are no longer accepting new customers.

#### **Intercompany Eliminations**

Intercompany eliminations include the elimination of intercompany sales, cost of goods sold, profit in inventory, and intercompany accounts payable and receivable in consolidation. Segment results are presented before these eliminations.

#### **Critical Accounting Policies**

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Preparation of these statements requires us to make judgments and estimates. Some accounting policies have a significant and material impact on amounts reported in these financial statements. Estimates and assumptions are based on management's experience and other information available prior to the issuance of our financial statements. Our actual realized results may differ materially from management's initial estimates as reported. Our critical and significant accounting policies include Trade Receivables, Inventories, Goodwill, Revenue Recognition, Fair Value Measurements, and Income Taxes. For a summary of our significant accounting policies and the means by which we develop estimates thereon, see Part II, Item 8 – Financial Statement and Supplementary Data - Notes to Consolidated Financial Statements Note 2 – Summary of Significant Accounting Policies in our 2025 Form 10-K.

#### **Adjusted EBITDA**

We evaluate the performance of our operations based on financial measures such as “Adjusted EBITDA”, which is a non-U.S. GAAP financial measure. We define Adjusted EBITDA as net income (loss) before interest expense, interest income, income taxes, depreciation, amortization, stock-based compensation, and other non-cash or nonrecurring charges. We believe that Adjusted EBITDA is an important indicator of the operational strength and performance of the business, including the business' ability to fund acquisitions and other capital expenditures, and to service its debt. Additionally, this measure is used by management to evaluate operating results and perform analytical comparisons and identify strategies to improve performance. Adjusted EBITDA is also a measure that is customarily used by financial analysts to evaluate a company's financial performance, subject to certain adjustments. Adjusted EBITDA does not represent cash flows from operations, as defined by U.S. GAAP, and should not be construed as an alternative to net income or loss and is indicative neither of our results of operations, nor of cash flows available to fund all our cash needs. It is, however, a measurement that the Company believes is useful to investors in analyzing its operating performance. Accordingly, Adjusted EBITDA should be considered in addition to, but not as a substitute for, net income, cash flow provided by operating activities, and other measures of financial performance prepared in accordance with U.S. GAAP. As companies often define non-U.S. GAAP financial measures differently, Adjusted EBITDA, as calculated by the Company, should not be compared to any similarly titled measures reported by other companies.

**Results of Operations Three Months Ended December 31, 2025 and 2024 (In \$000's)**

The following table sets forth certain statement of income items and as a percentage of revenue, for the three months ended December 31, 2025 and 2024 (in \$000's):

	Three Months Ended December 31, 2025		Three Months Ended December 31, 2024	
		% of Total Revenue		% of Total Revenue
<b>Selected Data</b>				
Revenue	\$ 108,544		\$ 111,508	
Gross Profit	35,353	32.6%	35,362	31.7%
General and administrative expenses	27,842	25.7%	30,071	27.0%
Sales and marketing expenses	4,060	3.7%	4,529	4.1%
Interest expense, net	3,561	3.3%	4,162	3.7%
(Loss) income before provision for income taxes	(89)	(0.1%)	573	0.5%
(Benefit) provision for income taxes	(25)	—%	81	0.1%
Net (loss) income	\$ (64)	(0.1%)	\$ 492	0.4%
<b>Adjusted EBITDA (a)</b>				
Retail-Entertainment	\$ 4,967		\$ 3,810	
Retail-Flooring	(2,301)		(783)	
Flooring Manufacturing	3,275		1,633	
Steel Manufacturing	3,314		3,187	
Corporate & Other	(1,163)		(1,334)	
Intercompany Eliminations	(300)		(769)	
Total Adjusted EBITDA	\$ 7,792		\$ 5,744	
<b>Adjusted EBITDA as a percentage of revenue</b>				
Retail-Entertainment	21.0%		17.9%	
Retail-Flooring	(9.1%)		(2.5%)	
Flooring Manufacturing	11.3%		5.6%	
Steel Manufacturing	10.4%		9.6%	
Corporate & Other	N/A		N/A	
Intercompany Eliminations	N/A		N/A	
Consolidated adjusted EBITDA as a percentage of revenue	7.2%		5.2%	

(a) See reconciliation of net income to Adjusted EBITDA below.

The following table sets forth revenue by segment (in \$000's):

	For the Three Months Ended December 31, 2025		For the Three Months Ended December 31, 2024	
	Net Revenue	% of Total Revenue	Net Revenue	% of Total Revenue
<b>Revenue</b>				
Retail-Entertainment	\$ 23,621	21.8%	\$ 21,274	19.1%
Retail-Flooring	25,327	23.3%	31,747	28.5%
Flooring Manufacturing	28,861	26.6%	29,168	26.2%
Steel Manufacturing	31,862	29.3%	33,287	29.9%
Corporate & Other	7	—%	56	0.1%
Intercompany Eliminations	(1,134)	(1.0%)	(4,024)	(3.6%)
Total Revenue	\$ 108,544	100.0%	\$ 111,508	100.0%

The following table sets forth gross profit earned by segment and gross profit as a percentage of total revenue for each segment (in \$000's):

	For the Three Months Ended December 31, 2025		For the Three Months Ended December 31, 2024	
	Gross Profit	Gross Profit % of Total Revenue	Gross Profit	Gross Profit % of Total Revenue
<b>Gross Profit</b>				
Retail-Entertainment	\$ 13,573	12.5%	\$ 12,044	10.8%
Retail-Flooring	8,026	7.4%	11,803	10.6%
Flooring Manufacturing	7,225	6.7%	6,255	5.6%
Steel Manufacturing	6,348	5.8%	5,977	5.4%
Corporate & Other	2	—%	51	—%
Intercompany Eliminations	\$ 179	0.2%	\$ (768)	(0.7%)
Total Gross Profit	\$ 35,353	32.6%	\$ 35,362	31.7%

#### Revenue

Revenue decreased approximately \$3.0 million, or 2.7%, to approximately \$108.5 million for the three months ended December 31, 2025, compared to revenue of approximately \$111.5 million for the three months ended December 31, 2024. The decrease primarily reflects an approximately \$7.1 million decline in the Retail-Flooring and Steel Manufacturing segments, partially offset by an approximately \$4.1 million aggregate increase in the Retail-Entertainment and Flooring Manufacturing segments, net of intercompany sales eliminations.

#### Gross Profit

Gross profit was approximately \$35.4 million for the three months ended December 31, 2025, essentially unchanged compared to the three months ended December 31, 2024. However, gross margin increased by 90 basis points to 32.6%, as compared to 31.7% in the prior-year period. The gross margin improvement was attributable to higher margins in the Flooring Manufacturing segment due to improved efficiencies and a favorable product mix, improved efficiencies in the Steel Manufacturing segment, and a favorable product mix in the Retail Entertainment segment, partially offset by lower gross margins in the Retail-Flooring segment.

#### General and Administrative Expense

General and Administrative expenses decreased by 7.4% to approximately \$27.8 million for the three months ended December 31, 2025, as compared to the three months ended December 31, 2024. The decrease was driven primarily by

targeted cost-reduction initiatives in our Retail-Flooring segment, including lower compensation expense and reduced professional fees.

### Sales and Marketing Expense

Sales and marketing expense decreased by 10.4% to approximately \$4.1 million for the three months ended December 31, 2025, as compared to the three months ended December 31, 2024, primarily due to reduced sales and marketing activities in our Flooring Manufacturing segment.

### Interest Expense, net

Interest expense, net, decreased by approximately \$0.6 million for the three months ended December 31, 2025 as compared to the three months ended December 31, 2024 due to lower average debt balances.

### Results of Operations by Segment for the Three Months Ended December 31, 2025 and 2024

	For the Three Months Ended December 31, 2025							For the Three Months Ended December 31, 2024						
	Retail-Entertainment	Retail-Flooring	Flooring Manufacturing	Steel Manufacturing	Corporate & Other	I/C Eliminations	Total	Retail-Entertainment	Retail-Flooring	Flooring Manufacturing	Steel Manufacturing	Corporate & Other	I/C Eliminations	Total
Revenue	\$ 23,621	\$ 25,327	\$ 28,861	\$ 31,862	\$ 7	\$ (1,134)	\$ 108,544	\$ 21,274	\$ 31,747	\$ 29,168	\$ 33,287	\$ 56	\$ (4,024)	\$ 111,508
Cost of Revenue	10,048	17,301	21,636	25,514	5	(1,313)	73,191	9,230	19,944	22,913	27,310	5	(3,256)	76,146
Gross Profit	13,573	8,026	7,225	6,348	2	179	35,353	12,044	11,803	6,255	5,977	51	(768)	35,362
General and Administrative Expense	8,732	11,483	1,383	4,597	1,168	479	27,842	8,480	13,709	1,634	4,646	1,602	—	30,071
Selling and Marketing Expense	175	231	3,517	131	6	—	4,060	157	267	3,970	129	6	—	4,529
Operating Income (Loss)	\$ 4,666	\$ (3,688)	\$ 2,325	\$ 1,620	\$ (1,172)	\$ (300)	\$ 3,451	\$ 3,407	\$ (2,173)	\$ 651	\$ 1,202	\$ (1,557)	\$ (768)	\$ 762

### Retail-Entertainment Segment

The Retail-Entertainment segment revenue for the quarter ended December 31, 2025, was approximately \$23.6 million, an increase of approximately \$2.3 million, or 11.0%, compared to approximately \$21.3 million in the prior-year period. The revenue growth was driven by strong consumer demand across all product lines. Gross margin for the quarter increased to 57.5%, compared to 56.6% in the prior-year period, reflecting a shift in sales mix toward higher-margin product lines. Operating income for the quarter ended December 31, 2025, was approximately \$4.7 million compared to approximately \$3.4 million in the prior-year period. Strong revenue growth and disciplined management of general and administrative expenses have driven the continued improvement in operating results.

### Retail-Flooring Segment

Retail Flooring segment revenue for the quarter ended December 31, 2025, was approximately \$25.3 million, representing a decrease of approximately \$6.4 million, or 20.2%, compared to approximately \$31.7 million in the prior-year period. The decrease in revenue is primarily due to changes in store locations from the prior-year period, including two store closures and three new store openings late in the fiscal first quarter of 2026 that had not yet materially contributed to revenue, as well as continued softness in the housing market. Gross margin for the quarter was 31.7%, compared to 37.2% in the prior-year period. The decrease in gross margin is primarily due to a greater mix of aged inventory sold during the seasonally slower period and a less favorable overall product mix. Operating loss for the quarter ended December 31, 2025, was approximately \$3.7 million, compared to an operating loss of approximately \$2.2 million in the prior-year period. The increased loss was driven mainly by lower revenue and gross margin, partially offset by reduced operating expenses resulting from cost-reduction initiatives implemented in fiscal year 2025.

### Flooring Manufacturing Segment

The Flooring Manufacturing segment revenue for the quarter ended December 31, 2025, was approximately \$28.9 million, a decrease of approximately \$0.3 million, or 1.1%, compared to approximately \$29.2 million in the prior-year period. The decrease in revenue was primarily due to lower sales to the Retail-Flooring segment. Net of intercompany sales eliminations, revenue increased approximately \$2.0 million compared to the prior-year period. Gross margin for the quarter increased to 25.0%, compared to 21.4% for the prior-year period. The increase in gross margin is primarily due to a change

in product mix toward carpet, which typically has higher gross margins, combined with improved operational efficiencies. Operating income for the quarter ended December 31, 2025, was approximately \$2.3 million, compared to an operating income of approximately \$0.7 million for the prior-year period. The increase in operating income was primarily due to improved gross margins and lower operating expenses resulting from cost-reduction initiatives.

#### Steel Manufacturing Segment

The Steel Manufacturing segment revenue for the quarter ended December 31, 2025, was approximately \$31.9 million, a decrease of approximately \$1.4 million, or 4.3%, compared to approximately \$33.3 million in the prior-year period. The revenue decrease was primarily driven by lower sales volumes in the metal forming, assembly, and finishing solutions business. Net of intercompany sales eliminations, revenue decreased approximately \$0.7 million compared to the prior-year period. Gross margin was 19.9% for the quarter, compared to 18.0% for the prior-year period. The increase in gross margin was primarily due to strategic price increases and improved operational efficiencies. Operating income for the quarter ended December 31, 2025, was approximately \$1.6 million, compared to approximately \$1.2 million in the prior-year period. The increase in operating income was primarily due to improved gross margins.

#### Corporate and Other Segment

The Corporate and Other segment operating loss was approximately \$1.2 million and \$1.6 million for the quarters ended December 31, 2025, and 2024, respectively. The decrease in operating loss is primarily due to a reduction in corporate expenses, including compensation and professional fees.

#### Intercompany Eliminations

Intercompany eliminations represent intercompany activity, including sales, cost of goods sold, and inventory profit, that is removed in consolidation. Segment results are presented prior to these eliminations.

#### Adjusted EBITDA Reconciliation

The following table presents a reconciliation of net income to Adjusted EBITDA for the three months ended December 31, 2025 and 2024 (in \$000's):

	For the Three Months Ended	
	December 31, 2025	December 31, 2024
Net income (loss)	\$ (64)	\$ 492
Depreciation and amortization	3,926	4,415
Stock-based compensation	51	51
Interest expense, net	3,561	4,162
Income tax (benefit) expense	(25)	81
Debt issuance costs	59	—
Gain on extinguishment of debt	—	(713)
Gain on settlement of earnout liability	—	(2,840)
Other nonrecurring charges	284	96
Adjusted EBITDA	\$ 7,792	\$ 5,744

Adjusted EBITDA increased by approximately \$2.0 million, or 35.7%, for the three months ended December 31, 2025, as compared to the prior year period. The increase was primarily due to an overall increase in operating income, as discussed above.

#### Liquidity and Capital Resources

As of December 31, 2025, we had total cash on hand of approximately \$15.1 million and approximately \$23.6 million of available borrowing under our revolving credit facilities. As we continue to pursue acquisitions and other strategic transactions to expand and grow our business, we regularly monitor capital market conditions and may raise additional

funds through borrowings or public or private sales of debt or equity securities. The amount, nature, and timing of any borrowings or sales of debt or equity securities will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions.

Based on our current operating plans, we believe that available cash balances, cash generated from our operating activities and funds available under our asset-based revolver lines of credit will provide sufficient liquidity to do the following for at least the next 12 months: fund our operations; pay our scheduled loan payments; repurchase shares under our share buyback program; and, pay dividends on our shares of Series E Preferred Stock as declared by the Board of Directors.

#### *Working Capital*

We had working capital of approximately \$69.1 million as of December 31, 2025, compared to working capital of approximately \$62.1 million as of September 30, 2025, an increase of approximately \$7.0 million. The increase was primarily driven by an aggregate decrease in current liabilities of approximately \$9.2million, reflecting reductions in the current portion of long-term debt, the current portion of lease obligations, and accrued liabilities, as well as an increase in accounts payable. These changes were partially offset by an aggregate decrease in current assets of approximately \$2.2 million, driven by decreases in trade receivables and inventories.

#### *Cash Flows from Operating Activities*

The Company's cash, as of December 31, 2025, was approximately \$15.1 million compared to approximately \$8.8 million as of September 30, 2025, an increase of approximately \$6.3 million. Net cash provided by operations was approximately \$9.8 million for the three months ended December 31, 2025, as compared to net cash provided by operations of approximately \$9.4 million for the three months ended December 31, 2024. The increase was primarily driven by changes related to the settlement of the earnout liability and the gain on extinguishment of debt recognized during the three months ended December 31, 2024, and reflects a decrease in the amortization of the seller note discount, decreases in the changes in accounts receivable, inventories, and accrued liabilities, and an increase in the changes in deposits and other assets and accounts payable.

Our primary sources of cash inflows are from customer receipts from sales on account and factored accounts receivable proceeds. Our most significant cash outflows include payments for raw materials and general operating expenses, including payroll costs and general and administrative expenses that typically occur within close proximity of expense recognition.

#### *Cash Flows from Investing Activities*

Our cash flows used in investing activities of approximately \$1.3 million for the three months ended December 31, 2025, and approximately \$1.8 million for the three months ended December 31, 2024, consisted of the purchases of property and equipment.

#### *Cash Flows from Financing Activities*

Our cash flows used in financing activities of approximately \$2.2 million during the three months ended December 31, 2025 consisted of payments on notes payable of approximately \$6.6 million, net borrowings under revolver loans of approximately \$3.9 million, payments for finance leases of approximately \$1.1 million, payments for debt issuance costs of approximately \$0.7 million, and payments on seller notes of approximately \$70,000, partially offset by proceeds from the issuance of notes payable of approximately \$9.8 million, and net borrowings under related party revolver loans of approximately \$0.4 million.

Our cash flows used in financing activities of approximately \$4.8 million during the three months ended December 31, 2024 consisted of net borrowings under revolver loans of approximately \$3.1 million, cash paid for the settlement of seller notes of \$1.9 million, payments on notes payable of approximately \$1.8 million, payments for finance leases of approximately \$1.0 million, payments on related party notes payable of approximately \$0.3 million, and purchases of treasury stock of approximately \$0.2 million, partially offset by proceeds from the issuance of related party notes payable of approximately \$1.9 million, and net borrowings under related party revolver loans of approximately \$1.6 million.

Currently, we are not issuing common shares for liquidity purposes. We prefer to use asset-based lending arrangements and mezzanine financing together with Company provided capital to finance acquisitions and have done so historically. Occasionally, as our Company history has demonstrated, we will issue stock and derivative instruments linked to stock for services or debt settlement.

*Future Sources of Cash; New Products and Services*

We may require additional debt financing or capital to finance new acquisitions, refinance existing indebtedness or other strategic investments in our business. Other sources of financing may include stock issuances and additional loans; or other forms of financing. Any financing obtained by us may further dilute or otherwise impair the ownership interest of our existing stockholders.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As of December 31, 2025, we did not participate in any market risk-sensitive commodity instruments for which fair value disclosure would be required. We believe we are not subject in any material way to other forms of market risk, such as foreign currency exchange risk or foreign customer purchases or commodity price risk.

**ITEM 4. CONTROLS AND PROCEDURES**

Evaluation of Disclosure Control and Procedures. We carried out an evaluation, under the supervision, and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, as of December 31, 2025, we concluded that the Company's disclosure, controls, and procedures were effective.

Management's Report on Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and procedures or the Company's internal control over financial reporting will prevent or detect all errors and all fraud. A control system, regardless of how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. These inherent limitations include the following: judgments in decision-making can be faulty, and control and process breakdowns can occur because of simple errors or mistakes, controls can be circumvented by individuals, acting alone or in collusion with each other, or by management override. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Our management assessed the design and effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission of 2013 regarding Internal Control – Integrated Framework. Based on our assessment using those criteria, as of December 31, 2025, our management concluded that our internal controls over financial reporting were effective.

There were no changes in our internal control over financial reporting that occurred during the three months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1. Legal Proceedings

The information in response to this item is included in Note 16, Commitments and Contingencies, to the Consolidated Financial Statements included in Part I, Item 1, of this Form 10-Q. Please also refer to “Item 3. Legal Proceedings” in our 2025 Form 10-K for information regarding material pending legal proceedings. Except as set forth herein, and therein, there have been no new material legal proceedings and no material developments in the legal proceedings previously disclosed.

### ITEM 1A. Risk Factors

None.

### ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

On June 4, 2024, the Company announced a \$10 million common stock repurchase program, which was amended on June 2, 2025 to extend its term through May 31, 2028, unless extended, canceled, or modified by the Company's Board of Directors. During the three months ended December 31, 2025, the Company made no repurchases. As of December 31, 2025, the maximum amount that may be purchased by the Company under the announced Plan was approximately \$9.5 million.

### ITEM 3. Defaults Upon Senior Securities

None.

### ITEM 4. Mine Safety Disclosures

None.

### ITEM 5. Other Information

None.

**ITEM 6. Exhibits**

The following exhibits are filed with or incorporated by reference into this Quarterly Report.

3.1	<a href="#">Amended and Restated Articles of Incorporation</a>	8-K	001-33937	3.1	08/15/07
3.2	Certificate of Change	8-K	001-33937	3.1	09/07/10
3.3	Certificate of Correction	8-K	001-33937	3.1	03/11/13
3.4	Certificate of Change	10-Q	001-33937	3.1	02/14/14
3.5	Articles of Merger	8-K	001-33937	3.1.4	10/08/15
3.6	Certificate of Change	8-K	001-33937	3.1.5	11/25/16
3.7	Certificate of Designation for Series B Convertible Preferred Stock filed with Secretary of State for the State of Nevada on December 23, 2016, and effective as of December 27, 2016	10-K	001-33937	3.1.6	12/29/16
3.8	<a href="#">Bylaws</a>	10-Q	001-33937	3.8	08/14/18
10.142	* <a href="#">Loan and Security Agreement by and Among Precision Industries, Inc., Central Steel Fabricators, LLC, The Kinetic Co., Inc., and Precision Affiliated Holdings LLC, dated December 30, 2025.</a>				
10.143	* <a href="#">Fourth Amendment to Loan and Security Agreement by and among Flooring Affiliated Holdings, LLC, Flooring Liquidators, Inc., Elite Builder Services, Inc., CRO Affiliated, LLC, Floorable, LLC, Rocky Mountain Wholesale Flooring, Inc., and Eclipse Business Capital LLC, dated January 8, 2026.</a>				
10.144	* <a href="#">Third Amendment to Credit Agreement by and between Vintage Stock, Inc. and Bank Midwest, a division of NBH BANK, dated October 17, 2025.</a>				
31.1	* <a href="#">Certification of the President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				
31.2	* <a href="#">Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				
32.1	* <a href="#">Certification of the President and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				
32.2	* <a href="#">Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				
101.INS	* Inline XBRL Instance Document				
101.SCH	* Inline XBRL Taxonomy Extension Schema Document				
101.CAL	* Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	* Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	* Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	* Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)				

\* Filed herewith

† Indicates a management contract or compensatory plan or arrangement.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Live Ventures Incorporated

Dated: February 12, 2026

/s/ Jon Isaac

\_\_\_\_\_  
President and Chief Executive Officer  
(Principal Executive Officer)

Dated: February 12, 2026

/s/ David Verret

\_\_\_\_\_  
Chief Financial Officer  
(Principal Financial Officer)

LOAN AND SECURITY AGREEMENT

by and among Precision Industries, Inc.,

a Pennsylvania corporation,

Central Steel Fabricators, LLC, an Illinois limited liability company,

The Kinetic Co., Inc., a Wisconsin corporation,  
as Borrowers

Precision Affiliated Holdings LLC, a Delaware limited liability company,  
as Guarantor

The other Credit Parties from time-to-time party hereto Legacy Corporate Lending, LLC,

as Administrative Agent and Swing Lender and

The Lenders from time-to-time party hereto Dated as of December 30, 2025

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## LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement is executed and entered into as of December 30, 2025 by and among (a) **Precision Industries, Inc.**, a Pennsylvania corporation ("Precision"), **Central Steel Fabricators, LLC**, an Illinois limited liability company ("Central Steel"), and **The Kinetic Co., Inc.**, a Wisconsin corporation ("Kinetic"; together with Precision, Central Steel, and each Person who hereafter becomes a borrower hereunder in accordance with the terms of Section 8.16, whether now or hereafter existing, and their successors and assigns, each, a "Borrower" and, collectively, the "Borrowers"), (b) **Precision Affiliated Holdings LLC**, a Delaware limited liability company ("Holdings"; together with each Person who hereafter becomes a guarantor hereunder in accordance with the terms of Section 8.16, whether now or hereafter existing, and their successors and assigns, each, a "Guarantor" and, collectively, the "Guarantors"), (c) the lenders from time to time party hereto (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter collectively as the "Lenders" and each is a "Lender") and (d) **Legacy Corporate Lending, LLC**, a Delaware limited liability company (together with its successors and permitted assigns, in its individual capacity, "Legacy") as administrative and collateral agent (Legacy, in such capacity, and including its successors and permitted assigns in such capacity, the "Administrative Agent") for the Lender Parties (as hereinafter defined) and as Swing Lender (as such term is hereinafter defined) and as an LC Issuer (as such term is hereinafter defined). Each of Borrowers and Guarantors may be referred to herein collectively as the "Credit Parties" and individually as a "Credit Party".

### RECITALS

Administrative Agent, each other Lender Party and each Credit Party desires to enter into certain financing arrangements according to the terms and provisions as set forth herein below. Therefore, for value received, the receipt and sufficiency of which is hereby acknowledged, together with the mutual benefits provided herein, Administrative Agent, each other Lender Party, each Borrower and each other Credit Party hereby agree as follows:

### ARTICLE I DEFINITIONS

Section 1.1. Definitions. The following definitions shall apply throughout this Agreement:

"Account" has the meaning prescribed for such term as defined by the UCC or the PPSA, as applicable, which definition is incorporated herein by reference, and includes, without limitation, a right to payment of a monetary obligation, whether or not earned by performance, for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, or for services rendered or to be rendered and further includes, without limitation, any Payment Intangible, together with all income, payments and proceeds thereof.

"Account Debtor" means a Person obligated on an Account, Chattel Paper, or General Intangible.

"Acquisition" means any transaction or series of related transactions resulting, directly or indirectly, in: (a) the acquisition by any Person of (i) all or substantially all of the assets of another



Person or (ii) all or substantially all of any business line, unit or division of another Person, (b) the acquisition by any Person (i) of in excess of 50% of the Equity Interests of any other Person, or (ii) otherwise causing any other Person to become a Subsidiary of such Person, or (c) a merger, amalgamation consolidation, or any other combination of any Person with another Person (other than a Person that is a Credit Party or a Subsidiary of a Credit Party) in which a Credit Party or any of its Subsidiaries is the surviving Person.

“Administrative Agent” has the meaning given to such term in the preamble hereto. “Administrative Agent Account” means account number 4844685859 maintained at Wells

Fargo in the name of Legacy Corporate Lending AssetCo 1, LLC, for the benefit of Administrative Agent, or such other account as Administrative Agent may from time to time specify to Borrower Representative in writing.

“Administrative Agent’s Liens” means Liens granted (or purported to be granted) by the Credit Parties in favor of Administrative Agent, for the benefit of Lender Parties, pursuant to this Agreement or any of the other Loan Documents.

“Advisory Services Agreement” means the Amended and Restated Advisory Services Agreement among Precision, Kinetic, Holdings and Live Ventures dated as of June 28, 2022, as may be amended or amended and restated from time to time in accordance with the Loan Documents.

“Advisory Services Fee Subordination Agreement” means the Advisory Services Fee Subordination Agreement dated as of the Agreement Date, among Administrative Agent, Holdings and Live Ventures, as acknowledged by Borrowers, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance therewith.

“Advisory Services Obligations” means all fees, expenses, indemnities and other obligations payable under the Advisory Services Agreement or otherwise by any Credit Party to any Affiliate with respect to management, consulting, and advisory services.

“Affiliate” means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that (a) any Person which owns (directly or indirectly) 10% or more of the outstanding Equity Interests of another Person, (b) each director (or comparable manager) of a Person, and (c) each partnership in which a Person is a general partner shall, in each case, be deemed an Affiliate of such Person.

“Agreement” means this Loan and Security Agreement and all schedules, exhibits and addenda hereto, as may be renewed, extended, amended, supplemented, restated or otherwise modified from time to time.

“Agreement Date” means the date as of which this Agreement is dated as specified in the preamble to this Agreement.

“Anti-Corruption Laws” means the FCPA, the U.K. Bribery Act of 2010, as amended, and all other applicable laws and regulations or ordinances concerning or relating to bribery or corruption in any jurisdiction in which any Credit Party or any of its Subsidiaries or Affiliates is located or is doing business.

“Anti-Money Laundering Laws” means the applicable laws or regulations in any jurisdiction in which any Credit Party or any of its Subsidiaries or Affiliates is located or is doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Anti-Terrorism Laws” means the laws relating to the prevention of terrorism or money laundering, including the Patriot Act and all OFAC rules and regulations, including Executive Order 13224.

“Applicable Law” means, as to a Person, any law (statutory or common), treaty, ordinance, decree, rule, regulation, executive order or code of a Governmental Authority or judgment, decree, injunction, order or determination of a court or binding arbitrator, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, including, without limitation, all Environmental Laws, all Anti-Terrorism Laws, all Anti-Corruption Laws, all Anti-Money Laundering Laws, the Patriot Act and the Trading with the Enemy Act.

“Applicable Margin” means:

(a) for any day with respect to a Loan accruing interest at the Base Rate, the applicable rate per annum as set forth in the table below for such Loan:

Revolving Loans	Term Loan	Term Cap Ex Loan
3.25%	3.50%	3.50%

(b) for any day with respect to a Loan accruing interest at Term SOFR, the applicable rate per annum as set forth in the table below for such Loan:

Revolving Loans	Term Loan	Term Cap Ex Loan
4.25%	4.50%	4.50%

“Approved Line of Business” means, collectively, (a) those lines of business in which any Borrower operates on the Agreement Date and (b) any business or activity that is the same, similar or otherwise reasonably related, ancillary, complementary or incidental thereto.

“Availability” means, at any time of determination, an amount equal to (i) the lesser of (a) the Revolving Credit Limit minus the Availability Block and (b) the Borrowing Base, minus (ii) the Revolving Exposure, in each case determined at such time.

“Availability Block” shall mean \$0.

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.).

“Base Rate” means the greatest of (i) the Floor, (ii) the rate per annum published from time to time in the “Money Rates” table of the Wall Street Journal (or such other presentation within The Wall Street Journal as may be adopted hereafter for such information) as the base or prime rate for corporate loans at the nation’s largest commercial banks (or if more than one such rate is published, the higher or highest of the rates so published) or, if such rate is no longer published by the Wall Street Journal, then the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H. 15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by Administrative Agent in its Permitted Discretion) or any similar release by the Federal Reserve Board (as determined by Administrative Agent in its Permitted Discretion), (iii) the Federal Funds Rate in effect on such day plus 0.50%, and (iv) the Term SOFR for a one-month tenor in effect on such day, plus 1.00%; provided that this clause (iv) shall not be applicable during any period in which Term SOFR is unavailable or unascertainable.

“Base Rate Loan” means each portion of a Loan that bears interest at a rate determined by reference to the Base Rate.

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.13(a)(iii)(A).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the sum of (a) the alternate benchmark rate that has been selected by Administrative Agent and Borrower Representative giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement shall be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

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



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

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

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

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

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

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof); or

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

“Benchmark Transition Start Date” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark

Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of

information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13(a)(iii) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13(a)(iii).

“BHC Act Affiliate” of a Person means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such Person.

“Borrower” or “Borrowers” have the meanings given to such terms in the preamble hereto. “Borrower Representative” means

Precision, in its capacity as such hereunder. “Borrowing Base” means, as of any day of determination, an amount equal to:

(a) the sum of:

(i) up to 85% multiplied by the Net Amount of Eligible Accounts, other than Eligible Investment Grade Accounts, plus

(ii) up to 90% multiplied by the Net Amount of Eligible Investment Grade Accounts, plus

(iii) the least of (A) the Inventory Sublimit, (B) 90% multiplied by Eligible Inventory, determined at the lower of cost or market value, and (C) 85% multiplied by the net orderly liquidation value of Eligible Inventory, determined based on the most recent Inventory appraisal obtained from time to time by Administrative Agent and acceptable to Administrative Agent in its sole discretion, minus

(b) the aggregate amount of Reserves implemented by Administrative Agent pursuant to Section 2.1, in each case determined as of such day, minus

(c) the Availability Block;

“Borrowing Base Certificate” means a certificate of Borrower Representative, signed by a Responsible Officer of Borrower Representative, that complies with Section 8.5 and is in form, presentation and detail satisfactory to Administrative Agent in its Permitted Discretion.

“Borrowing Notice” means a request for a Loan by the Borrower Representative in compliance with Section 2.2.

“Business Day” means any day that is not a Saturday, Sunday or a day on which commercial banks in Plano, Texas are required or permitted to be closed.



“Canadian Territories” means each of the Yukon, the Northwest Territories and Nunavut. “Capital Expenditures” has the meaning prescribed for such term by GAAP.

“Capital Lease” means, with respect to any Person, any lease that is required to be capitalized for financial reporting purposes in accordance with GAAP on the balance sheet of such Person.

“Cash Collateral” shall mean cash, and any interest or other income earned thereon, that is deposited with the Administrative Agent, for the benefit of Lender Parties, in accordance with any agreement to Cash Collateralize any LC Obligations.

“Cash Collateral Account” shall mean a demand deposit, money market or other account established by a Borrower with Administrative Agent, which account shall hold Cash Collateral and shall be subject to the Administrative Agent’s Liens.

“Cash Collateralize” shall mean, with respect to LC Obligations arising from Letters of Credit outstanding on any date, the deposit with the Administrative Agent of immediately available funds into the Cash Collateral Account in an amount equal to 110% of the sum of the aggregate LC Obligations which are then outstanding plus all related fees and other amounts due or to become due in connection with such LC Obligations.

“Central Steel” has the meaning given to such term in the preamble hereto.

“Central Steel Earn-Out” each Earnout Amount as such term is defined in the Central Steel Purchase Agreement.

“Central Steel Purchase Agreement” means the Securities Purchase Agreement among CSF Holdings, LLC, Precision, Holdings, and certain of their respective Affiliates dated May 15, 2024, as may be amended or amended and restated from time to time in accordance with the Loan Documents.

“Central Steel Seller Loan” the Debt outstanding under the Central Steel Seller Note. “Central Steel Seller Note” means the

Amended and Restated Subordinated Promissory

Note dated on or about the Agreement Date in the amount of \$962,498 payable by Precision to CSF Holdings, LLC, as may be amended or amended and restated from time to time in accordance with the Loan Documents.

“Central Steel Subordinated Loan” means collectively, the Central Steel Seller Loan and the Central Steel Earn-Out.

“Central Steel Subordinated Loan Documents” means each of (a) the Central Steel Seller Note, and (b) the Central Steel Purchase Agreement.

“Central Steel Subordination Agreement” means the Subordination Agreement dated as of the Agreement Date, between Administrative Agent and CSF Holdings, LLC, as acknowledged

by Borrowers, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance therewith.

“Change in Law” means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, (c) any new, or adjustment to, requirements prescribed by the Board of Governors for “Eurocurrency Liabilities” (as defined in Regulation D of the Board of Governors), requirements imposed by the Federal Deposit Insurance Corporation, or similar requirements imposed by any domestic or foreign governmental authority or resulting from compliance by Administrative Agent or any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority and related in any manner to SOFR, the Term SOFR Reference Rate or Term SOFR, or (d) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in this Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Change of Control” shall mean: (a) the occurrence of any event (whether in one or more transactions) which results in a transfer of control of any Credit Party to a Person other than the Permitted Holder, (b) the occurrence of any event (whether in one or more transactions) which results in the Permitted Holder failing to own, free and clear of any Liens, one hundred (100%) percent of the Equity Interests (on a fully diluted basis) of Holdings, (c) the occurrence of any event (whether in one or more transactions) which results in Holdings failing to own one hundred (100%) percent of the Equity Interests (on a fully diluted basis) of each Borrower, (d) except as otherwise permitted under this Agreement, any merger, consolidation or sale of substantially all of the property or assets of any Credit Party, (e) the occurrence of any "change of control" or similar event which results in the mandatory redemption, or any other similar payment becoming due and payable, with respect to the Equity Interests of any Credit Party, (f) Thomas R. Sedlak shall cease to be Chief Executive Officer of the Borrowers, performing the duties customarily associated with such position and involved in the day-to-day executive management of the operations of the Borrowers; provided, however, a Change of Control shall not occur under clause (f) unless the Borrowers shall have failed to replace him with a replacement Chief Executive Officer reasonably acceptable to Administrative Agent within ninety (90) days thereafter, or (g) Michael Valeri shall cease to be Chief Financial Officer of the Borrowers, performing the duties customarily associated with such position and involved in the day-to-day executive financial management of the Borrowers; provided, however, a Change of Control shall not occur under clause (g) unless the Borrowers shall have failed to replace him with a replacement Chief Financial Officer reasonably acceptable to Administrative Agent within ninety (90) days thereafter. For purposes of this definition, "control of" a Person shall mean the power, direct or

indirect (x) to vote fifty percent (50%) percent or more of the Equity Interests of such Person having ordinary voting power for the election of directors (or the individuals performing similar functions) of such

Person or (y) to direct or cause the direction of the management and policies of such Person by contract or otherwise.

“Chattel Paper” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. “Chattel Paper” includes, without limitation, electronic chattel paper.

“Closing Checklist” means the closing memorandum with respect to this Agreement and related transactions prepared by counsel for Administrative Agent.

“Collateral” means all personal property of the Credit Parties in or upon which a Lien is granted (or purported to be granted) to Administrative Agent (for the benefit of Lender Parties) or any other Lender Party, whether pursuant to this Agreement or any other Loan Document.

“Collateral Access Agreement” means a landlord waiver or subordination, bailee letter, acknowledgment agreement, use agreement or other agreement of any lessor, logistics provider, warehouseman, processor, consignee, or other Person in possession or control of, having a Lien upon, or having rights or interests in any of Credit Parties’ books and records, Equipment, Inventory or other Collateral, in each case, in form and substance satisfactory to Administrative Agent in its Permitted Discretion.

“Collection Account” has the meaning given to such term in Section 5.3.

“Commercial Tort Claim” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, in the case of a Credit Party, any tort cause of action claimed by such Credit Party, including those listed on Schedule 7.32.

“Commitment” means, for each Lender, the obligation of such Lender to make Loans to Borrowers pursuant to the terms hereof in an aggregate amount not exceeding the amount set forth for such Lender in Schedule 1.1, as such amount may be modified from time to time pursuant to the terms hereof; provided, that no Lender’s Commitment to make Revolving Loans or Term Cap Ex Loan Advances shall exceed such Lender’s Percentage Share of the Revolving Credit Limit or Term Cap Ex Commitment, respectively.

“Compliance Certificate” means a certificate meeting the requirements of Section 8.6 and otherwise in form satisfactory to Administrative Agent in its Permitted Discretion.

“Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption, or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” or any similar or analogous definition (or the addition

of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment notices, the applicability and length of

lookback periods, and other technical, administrative or operational matters) that Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Administrative Agent in a manner substantially consistent with market practice (or, if Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

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

“Control Agreement” means, with respect to any Deposit Account or Securities Account, a control agreement, in form and substance acceptable to Administrative Agent in its sole discretion, executed by Administrative Agent, the Credit Party owner of such Deposit Account or Securities Account and the applicable bank (with respect to a Deposit Account) or Securities Intermediary (with respect to a Securities Account), and pursuant to which Administrative Agent obtains “control” pursuant to the UCC over such Deposit Account or Securities Account (as applicable).

“Covered Entity” means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning specified therefor in Section 14.20 of this Agreement. “Credit Party” or “Credit Parties” have the meanings given to such terms in the preamble to this Agreement.

“Cure Amount” has the meaning set forth in Section 10.2(a). “Cure Right” has the meaning set forth in Section 10.2(a).

“Debt” means, with respect to a Person, (a) all obligations for borrowed money of such Person, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other similar financial products, (c) all obligations or liabilities of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any asset of such Person, irrespective of whether such obligation or

liability is assumed, (d) all obligations of such Person in respect of the deferred purchase price of assets or

services (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (e) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of the type otherwise described in this definition of any other Person, (f) asset securitizations and synthetic leases, (g) all obligations of such Person as a lessee under Capital Leases, (h) all net indebtedness, liabilities and other monetary obligations under interest rate, credit, commodity and foreign exchange swaps or similar transactions entered into for the purpose of hedging such Person's exposure to fluctuations in interest or exchange rates, currency valuations or commodity prices and all cancellations, buybacks, reversals, terminations or assignments of any such transaction, (i) all liabilities which would under GAAP be shown on such Person's balance sheet as a liability, and (j) any Disqualified Equity Interests of such Person.

“Default” means an event, condition or occurrence that, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

“Default Rate” means a rate per annum equal to the lesser of (a) the sum of (i) the interest rate or fee rate otherwise applicable to the specified Obligation (which shall be adjusted, from time to time, simultaneously with any change in such rate) plus (ii) three percent (3.0%) and (b) the Maximum Rate.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that fails to make any advance (or other extension of credit) that it is required to make hereunder on the date that it is required to do so hereunder.

“Defaulting Lender Rate” means the interest rate then applicable to Revolving Loans. “Deposit Account” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, a nonnegotiable certificate of deposit or a demand, time, savings, passbook, or similar account maintained with a bank.

“Designated Account” means account no. 7244512963 maintained at Fifth Third Bank in the name of Precision.

“Dilution Percentage” means, each percentage determined by the Administrative Agent in its Permitted Discretion based upon a rolling-historical period selected by the Administrative Agent, that is the result of dividing the Dollar amount of (a) bad debt write-downs, discounts, advertising allowances, credits, rebates, or other dilutive items with respect to a category of Borrowers' Accounts during such period, by (b) Borrowers' billings with respect to such category of Accounts during such period, in each case, to the extent the percentage exceeds the Dilution Threshold for such category of Accounts.

“Dilution Reserve” means a Reserve, updated daily or at such other interval as the Administrative Agent elects in its Permitted Discretion, that is the result of multiplying the Dilution Percentage for each category of Accounts, by the aggregate amount of such Accounts then outstanding.

“Dilution Threshold” means 5.0% with respect to Eligible Accounts (other than Eligible Investment Grade Accounts) and 2.5% with respect to Eligible Investment Grade Accounts.

“Disqualified Equity Interests” means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition (a) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise (except as a result of a Change of Control or asset sale so long as any rights of the holders thereof upon the occurrence of a Change of Control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) are redeemable at the option of the holder thereof, in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Debt or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Maturity Date.

“Distribution” means, for any Person: (a) any dividend, payment or distribution (whether in cash, securities or other property) made on account of any class of such Person’s Equity Interests, including Tax Distributions, or on account of any synthetic Equity Interests in the form of stock appreciation rights or other profits interests, or (b) any payment (whether in cash, securities or other property) on account of, or setting apart of assets for a sinking or analogous fund for, the purchase, redemption, retirement, cancellation, termination, defeasance or Acquisition of any (i) shares of its Equity Interests or (ii) options, warrants or other rights to purchase Equity Interests in such Person.

“Document” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, any bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, or any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers, and which purports to be issued by or addressed to a bailee and purporting to cover goods in the bailee’s possession which are either identified or are fungible portions of an identified mass. “Document” includes electronic documents.

“Dollars” or “\$” refers to lawful money of the United States of America. “Early Termination Fee” has the meaning set forth in Section 4.5.

“EBITDA” means, with respect to the Borrowers for any period, an amount equal to (a) consolidated net income (or loss), for such period, minus (b) extraordinary, non-cash, or nonrecurring gains or income for such period, plus (c) Interest Expense (whether paid or accrued), income taxes, depreciation and amortization, to the extent expensed in the calculation of net income for such period, determined for the Borrowers and their Subsidiaries on a consolidated basis in accordance with GAAP for the applicable Testing Period.

“Eligible Account” means, with respect to any Borrower, an Account of such Borrower which is acceptable to Administrative Agent for purposes of determining the Borrowing Base and meets all criteria for inclusion in the Borrowing Base all as determined and established by



Administrative Agent from time to time in its Permitted Discretion. Without limiting the Permitted Discretion of Administrative Agent to establish other criteria of ineligibility, unless otherwise agreed by Administrative Agent, Eligible Accounts of any Borrower shall not include any Account:

(a) which is not owned exclusively by such Borrower;

(b) which is not subject to a first-priority and perfected security interest in favor of Administrative Agent or which is subject to any other Lien (other than Permitted Liens which are junior in priority to the Lien of Administrative Agent);

(c) if more than ninety (90) days have elapsed since the date of the original invoice for such Account; provided, however, with respect to any Account of Central Steel and Kinetic with stated invoice terms of 90 to 120 days, such Account will not be ineligible under this clause (c) to the extent such Account is not outstanding more than thirty (30) days after its original stated due date;

(d) if 25% or more of the aggregate Dollar amount of outstanding Accounts owed at such time by the Account Debtor and its Affiliates is classified as ineligible under clause (c) above, determined as to each individual Borrower;

(e) which represents a sale on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment, or other repurchase or return basis or a progress billing under an agreement which requires further performance by such Borrower, is otherwise contingent on such Borrower's completion of any future performance or is subject to any other terms by reason of which the payment by the Account Debtor may be conditional;

(f) with respect to which any of the following events has occurred as to the Account Debtor on such Account: the filing of any petition for relief under the Bankruptcy Code or other insolvency laws, a general assignment for the benefit of creditors, the appointment of a receiver, interim receiver, receiver and manager, monitor, or trustee, application or petition for dissolution, its dissolution, the sale or transfer of all or any material part of the assets or the cessation of the business as a going concern;

(g) which is owed by an Account Debtor which does not maintain its chief executive office in the United States or any province of Canada (not including Quebec and the Canadian Territories) or is not organized under the laws of the United States or Canada or any province thereof (not including Quebec and the Canadian Territories);

(h) which is not payable in Dollars;

(i) which is owed by an Account Debtor which is an Affiliate or employee of any Credit Party or any Credit Party's Affiliates;

(j) with respect to which either the perfection, enforceability, or validity of Administrative Agent's Lien in such Account, or Administrative Agent's right or ability to obtain direct payment to Administrative Agent of the proceeds of such Account, is governed by

any federal, state, provincial, or local statutory requirements other than those of the UCC or the PPSA;

(k) which is owed by an Account Debtor to which such Borrower or any of its Affiliates are indebted in any way, or which is subject to any right of setoff or recoupment, or if the Account Debtor thereon has disputed liability or made any claim with respect to any other Account due from such Account Debtor, but in each such case only to the extent of such indebtedness, setoff, recoupment, dispute, or claim;

(l) which is evidenced by a promissory note or other instrument or by chattel paper;

(m) which arises out of a sale not made in the ordinary course of such Borrower's business;

(n) with respect to which the goods giving rise to such Account have not been shipped and delivered to and accepted by the Account Debtor or the services giving rise to such Account have not been fully performed by such Borrower, and, if applicable, accepted by the Account Debtor, or with respect to which the Account Debtor has revoked its acceptance of any such goods or services;

(o) which arises out of an enforceable contract or order which, by its terms, forbids, restricts or makes void or unenforceable the granting of a Lien by such Borrower to Administrative Agent with respect to such Account or otherwise requires the consent of the respective Account Debtor in order for the Administrative Agent to obtain direct payment of the proceeds of such Account;

(p) with respect to which the Account Debtor is either (i) the United States, Canada, or any department, agency, or instrumentality of the United States or Canada, or (ii) any state of the United States or province or territory of Canada or any department agency or instrumentality of such state, province or territory, unless (A) Account Debtor is the United States, (B) the applicable Borrower has assigned its right to payment of such Receivable to Administrative Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) by an assignment instrument acceptable to Administrative Agent, and (C) such assignment has been acknowledged by the applicable contracting officer in writing;

(q) with respect to which the Account Debtor is an individual or natural person;

(r) with respect to which the Account Debtor is a Sanctioned Person or Sanctioned Entity;

(s) with respect to which the books and records evidencing or otherwise relating to such Account are located in a public warehouse, are in possession of a bailee or are in a facility leased by such Borrower, unless the warehouseman, bailee or lessor, as the case may be, has executed a Collateral Access Agreement or a Reserve has been established;

(t) with respect to which Administrative Agent believes, in its Permitted Discretion, that the prospect of collection of such Account is impaired or that the Account may not be paid by reason of the Account Debtor's financial inability to pay;

(u) owed by an Account Debtor, to the extent the amount owing thereon exceeds the credit limit extended to such Account Debtor by the applicable Borrower;



(v) which is owed by an Account Debtor whose total obligations (including the obligations of such Account Debtor's Affiliates) owing to any individual Borrower exceed twenty-five percent (25%) of the aggregate amount of all Eligible Accounts of owing to such Borrower (or forty percent (40%) in the case of Accounts owed to Kinetic only by The Procter & Gamble Company), to the extent such obligations owing by such Account Debtor are in excess of such percentage.

The identification of specific exclusions from eligibility herein is not exclusive or exhaustive. Administrative Agent reserves the right in its Permitted Discretion to establish additional or different criteria for determining Eligible Accounts, at any time, without prior notice; provided that any such additional or different criteria shall not be duplicative of, or overlap with, any Reserve that has been established pursuant to this Agreement.

“Eligible Equipment” means, with respect to any Borrower, Equipment and Machinery of such Borrower that is designated by Administrative Agent as eligible from time to time in its Permitted Discretion, but excluding Equipment and Machinery having any of the following characteristics:

(a) with respect to Equipment, it is located at premises other than those (i) owned by such Borrower or (ii) leased and controlled by such Borrower and as to which an enforceable Collateral Access Agreement with the owner of such premises shall have been delivered to Administrative Agent;

(b) with respect to Machinery, it is located at premises other than those owned by such Borrower;

(c) it is located outside the United States of America;

(d) it is not subject to the first-priority, valid and perfected security interest of Administrative Agent or it is subject to any other Lien (other than Permitted Liens which are junior in priority to the Lien of Administrative Agent);

(e) it is damaged or defective or not used or usable in the ordinary course of such Borrower's business as presently conducted or is obsolete or not currently saleable or has been removed from service unless, in the case of Equipment which is damaged, defective or out of service, it is under repair at a Borrower's location and is out of service for less than thirty (30) days;

(f) it is not covered by “all risk” hazard insurance for an amount equal to its replacement cost;

(g) it requires proprietary software in order to operate in the manner in which it is intended and such software is not freely assignable to Administrative Agent or any potential purchaser thereof;

(h) it consists of computer hardware, software, tooling, or molds;

(i) it is not owned exclusively by such Borrower or as to which such Borrower does not have good, valid and marketable title thereto; or

(j) it is otherwise deemed unacceptable by Administrative Agent in its Permitted Discretion.

“Eligible Inventory” means, with respect to any Borrower, Inventory of such Borrower which is acceptable to Administrative Agent in its Permitted Discretion for purposes of determining the Borrowing Base and meets all criteria for inclusion in the Borrowing Base all as determined and established by Administrative Agent from time to time in its Permitted Discretion. Without limiting the Permitted Discretion of Administrative Agent to establish other criteria of ineligibility, unless otherwise agreed by Administrative Agent, Eligible Inventory shall not include any Inventory:

(a) which is not owned exclusively by such Borrower or as to which Borrower does not have good, valid and marketable title thereto;

(b) which is not subject to a first-priority and perfected security interest in favor of Administrative Agent or which is subject to any other Lien (other than Permitted Liens which are junior in priority to the Lien of Administrative Agent);

(c) which is not (i) as to Kinetic, finished goods or raw material, (ii) as to Central Steel, finished goods, or (iii) as to Precision, finished goods, work in process or raw material,

(d) which is not in good condition or does not meet all standards imposed by any Governmental Authority having regulatory authority over such goods or their use or sale;

(e) which is not currently either usable or salable, at prices approximating at least cost, in the normal course of such Borrower’s business;

(f) which is slow moving Inventory, as determined by each Inventory appraisal;

(g) which is obsolete, returned (including “MRB” Inventory), repossessed, used goods taken in trade, or goods that constitute spare parts, samples, packaging and shipping materials or supplies used or consumed in such Borrower’s business;

(h) which is located outside the United States or is in-transit to or from a location of such Borrower (other than in-transit from one location set forth on Schedule 7.11 to another location set forth on Schedule 7.11);

(i) as to which such Borrower does not have actual and exclusive possession thereof (either directly or through a bailee or agent of such Borrower who has executed a Collateral Access Agreement) or which is located in a public warehouse or is in possession of a bailee or in a facility leased by such Borrower or an Affiliate thereof unless (i) (A) the warehouseman, bailee, or lessor, as the case may be, has delivered to Administrative Agent a Collateral Access Agreement or (B) Administrative Agent has established appropriate Reserves with respect to such location and (ii) it is segregated or otherwise separately identifiable from goods of others, if any, stored on the premises;

(j) which (i) is on consignment from any consignor, or on consignment to any consignee,

(ii) is subject to retention of title rights in favor of the vendor or supplier thereof, or (iii) in relation

to which, under applicable governing laws, retention of title may be imposed unilaterally by the vendor or supplier thereof;

(k) is subject to a bill of lading or other document of title;

(l) that contains or bears any Proprietary Rights licensed to such Borrower by another Person unless such Borrower has delivered to Administrative Agent a consent or sublicense agreement from such licensor in form and substance acceptable to Administrative Agent or Administrative Agent is otherwise satisfied that it may sell or otherwise dispose of such Inventory in accordance with Section 11.2 without infringing the rights of the licensor of such Proprietary Rights or violating any contract of such Borrower with such licensor (and without payment of any royalties other than any royalties due with respect to the sale or disposition of such Inventory pursuant to the existing license agreement);

(m) which is located in a public warehouse or is in possession of a bailee or in a facility leased by such Borrower or an Affiliate where the value of the Eligible Inventory held at such location is less than \$250,000; or

(n) with respect to which either the perfection, enforceability, or validity of Administrative Agent's Lien in such Inventory is governed by any federal, state, or local statutory requirements other than those of the UCC.

The identification of specific exclusions from eligibility herein is not exclusive or exhaustive. Administrative Agent reserves the right in its Permitted Discretion to establish additional or different criteria for determining Eligible Inventory, at any time, without prior notice; provided that any such additional or different criteria shall not be duplicative of, or overlap with, any Reserve that has been established pursuant to this Agreement.

"Eligible Investment Grade Account" means, with respect to any Borrower, an Account of such Borrower which is an Eligible Account owed to such Borrower by an Account Debtor that has a credit rating by S&P or Fitch of BBB- or higher or a credit rating by Moody's of Baa3 or higher.

"Environmental Laws" means any and all applicable federal, state, provincial, foreign or local statutes, laws, rules, regulations, ordinances, codes, binding and enforceable guidelines, binding and enforceable written policies or rules of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, relating to the environment, the effect of the environment or employee health or relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

"Equipment" has the meaning prescribed for such term as defined by the UCC (which definition is incorporated herein by reference), wherever located, and whether now or hereafter

existing, and all parts thereof, all accessions thereto and all replacements therefor. The Equipment

includes, without limitation, with respect to a Person, all personal property used or useable by such Person in its business.

“Equity Interests” means, with respect to a Person, shares of capital stock, partnership interests, membership or limited liability company interests or units in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options, participations or other rights entitling the holder thereof to purchase or acquire any such interest, whether voting or nonvoting.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

“ERISA Affiliate” means (a) any Person, trade or business (whether or not incorporated) subject to ERISA whose employees are treated as being employed by the same employer as the employees of any Credit Party under Section 414(b) of the IRC, (b) any Person, trade or business (whether or not incorporated) subject to ERISA whose employees are treated as being employed by the same employer as the employees of any Credit Party under Section 414(c) of the IRC,

(c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which any Credit Party is a member under Section 414(m) of the IRC, or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with any Credit Party and whose employees are aggregated with the employees of any Credit Party under Section 414(o) of the IRC.

“ERISA Benefit Plan” means any “employee benefit plan” (as defined in Section 3(3) of ERISA) as to which any Credit Party or any ERISA Affiliate (a) is (currently or hereafter), or at any time during the immediately preceding six (6) years has, sponsored, maintained or contributed to on behalf of any of its employees or (b) has (currently or hereafter), or has had at any time within the preceding six (6) years, any liability (contingent or otherwise).

“Erroneous Payment” has the meaning specified therefor in Section 14.21 of this Agreement.

“Erroneous Payment Deficiency Assignment” has the meaning specified therefor in Section 14.21 of this Agreement.

“Erroneous Payment Impacted Loans” has the meaning specified therefor in Section 14.21 of this Agreement.

“Erroneous Payment Return Deficiency” has the meaning specified therefor in Section 14.21 of this Agreement.

“Event of Default” has the meaning prescribed by Section 10.1.

“Excluded Account” means any (a) Deposit Account of a Credit Party used exclusively for payroll, payroll taxes and other employee wages and benefits payments to or for the benefit of the employees of any Credit Party; provided that the aggregate balance in all such accounts

does not exceed the amount necessary to make the immediate succeeding payroll, payroll tax or benefit

payment (or such minimum amount as may be required by any requirement of law, regulation or financial institution with respect to such accounts), (b) Deposit Accounts used exclusively for trust or similar purposes or for the collection or payment of sale or use taxes or other, similar withholding taxes for which such a Deposit Account is required by law or regulation; provided that the balance in each such account does not exceed the amount required by law or regulation or as is reasonably necessary to pay such taxes when due, and (c) a Deposit Account with Yorkshire Bank for the purpose of facilitating purchase transactions with European vendors; provided that the balance in such account does not exceed the U.S. dollar equivalent of \$20,000.00 at the end of any Business Day.

“Excluded Property” means, with respect to any Credit Party, collectively, (i) property of such Credit Party subject to Liens permitted by clauses (d) of the definition of Permitted Liens solely in the event and to the extent that (a) a grant or perfection of a Lien in favor of Administrative Agent on any such property is prohibited by or results in a breach or termination of, or constitutes a default under, the documentation governing such Liens or the obligations secured by such Liens (other than to the extent that such terms would be rendered ineffective pursuant to Section 9.406, 9.407, 9.408 or 9.409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction and other than to the extent all necessary consents to creation, attachment and perfection of the Administrative Agent’s Liens thereon have been obtained) and (b) such Credit Party has used commercially reasonable efforts to obtain all necessary consents to the creation, attachment and perfection of the Administrative Agent’s Liens thereon, and, in any event, immediately upon the ineffectiveness, lapse or termination of such terms or the obtaining of such consents, such property shall cease to constitute Excluded Property and shall be Collateral, (ii) any personal property lease, contract, permit, license, franchise or letter of credit right of such Credit Party, solely in the event and to the extent that a grant or perfection of a Lien on such personal property lease, contract, permit, license, franchise or letter of credit right is prohibited by applicable law or results in a breach or termination of, or constitutes a default under, any such personal property lease, contract, permit, license, franchise or letter of credit right (other than to the extent that such law or terms would be rendered ineffective pursuant to Section 9.406, 9.407, 9.408 or 9.409 of the UCC (or any successor provision or provisions) and other than to the extent all necessary consents to creation, attachment and perfection of the Administrative Agent’s Liens thereon have been obtained) and, in any event, immediately upon the ineffectiveness, lapse or termination of such law or terms or the obtaining of such consents, such personal property lease, contract, permit, license, franchise or letter of credit right shall cease to constitute Excluded Property and shall be Collateral, provided, that Excluded Property shall not in any case include any proceeds of any lease, contract, permit, license, franchise or letter of credit right or any goodwill of the Credit Parties’ business associated therewith or attributable thereto, and (iii) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided, that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision) such intent-to-use trademark application shall cease to constitute Excluded Property and shall be Collateral.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed

on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office, or in the case of any Lender or LC Issuer, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of any Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to Applicable Law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.5, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes resulting from such Recipient's failure to comply with Section 3.5(d) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and (a) any current or future regulations or official interpretations thereof, (b) any agreements entered into pursuant to Section 1471(b)(1) of the IRC, and (c) any intergovernmental agreement entered into by the United States (or any fiscal or regulatory legislation, rules, or practices adopted pursuant to any such intergovernmental agreement entered into in connection therewith).

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Administrative Agent from three Federal funds brokers of recognized standing selected by it (and, if any such rate is below zero, then the rate determined pursuant to this definition shall be deemed to be zero).

"Financial Covenant" means the covenant set forth in Section 9.14. "Fiscal Month" means a calendar month.

"Fiscal Year" means Credit Parties' fiscal year for financial accounting purposes, beginning on October 1 and ending on September 30 of the following year.

"Fixed Charge Coverage Ratio" means, for the Borrowers and their Subsidiaries on any date of determination for any period, the ratio of (a) EBITDA, less Unfinanced Capital Expenditures to (b) Interest Expense paid in cash, plus taxes paid in cash, including Tax Distributions, plus to the extent Distributions have not been accounted for in a manner which reduced EBITDA, Distributions paid in cash, plus principal payments made or required to be

made on any and all amortizing Debt, plus payments made for the Central Steel Earn-Out, in each case

without duplication and determined for the Borrowers and their Subsidiaries on a consolidated basis in accordance with GAAP for the applicable Testing Period.

“Floor” means a rate of interest equal to 3.00%.

“Foreign Lender” means (a) if a Borrower is a U.S. Person, a Lender (with respect to such Borrower) that is not a U.S. Person, and (b) if a Borrower is not a U.S. Person, a Lender (with respect to such Borrower) that is resident or organized under the laws of jurisdiction other than that in which such Borrower is resident for tax purposes.

“GAAP” means generally accepted accounting principles in the United States, as in effect from time to time, consistently applied.

“General Intangibles” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and in any event includes, without limitation, all intangible personal property of every kind and nature (other than Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Securities Accounts, Documents, Instruments, Investment Property, Letter of Credit Rights, Letters of Credit and money), including, without limitation, contract rights, business records, rights and claims against carriers and shippers, customer lists, registrations, licenses, franchises, tax refund claims, rights to indemnification, warranty or guaranty contract, claims for any damages arising out of or for breach or default under or in connection with any contract, rights to exercise or enforce remedies, powers and privileges under any contract and rights and claims to any amounts payable under any contract of insurance, including without limitation, business interruption, property, casualty, key employee life or any other insurance.

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

“Guarantor” or “Guarantors” have the meanings given to such terms in the preamble hereto.

“Guaranty” means, with respect to a Person, any direct or indirect guaranty by such Person of any Debt or other obligation of another Person or any obligation by such Person to purchase or acquire or otherwise protect or insure a creditor against loss in respect of Debt or other obligations of another Person, but excluding customary contractual indemnities in contracts made in the ordinary course of business or under organizational documents.

“Guaranty Agreement” means each Guaranty Agreement now or hereafter executed by a Guarantor in favor of Administrative Agent, for the benefit of Lender Parties, pursuant to which such Guarantor guarantees the payment and/or performance of all or any portion of the Obligations of the Borrowers, in form and substance acceptable to Administrative Agent in its

Permitted Discretion, as amended, restated, supplemented or otherwise modified from time to time.

“Hazardous Materials” means any substances regulated under any Environmental Law, whether as pollutants, contaminants, or chemicals, or as industrial, toxic or hazardous substances or wastes, or otherwise.

“Holdings” has the meaning given to such term in the preamble hereto.

“Increased Tax Burden” shall mean the additional federal or state taxes payable by Live Ventures as a result of the Credit Parties’ status as pass-through entities for federal and state income tax purposes (only for so long as the election to be treated as a pass-through entity has not been rescinded or withdrawn), as evidenced and substantiated by tax returns filed for the applicable Fiscal Year.

“Indemnified Claims” means any and all claims, demands, actions, causes of action, judgments, obligations, liabilities, losses, damages and consequential damages, penalties, fines, costs, fees, expenses, Lender Expenses and disbursements (including without limitation, fees and expenses of attorneys and other professional consultants and experts in connection with investigation or defense) of every kind, known or unknown, existing or hereafter arising, foreseeable or unforeseeable, which may be imposed upon, threatened or asserted against, or incurred or paid by, an Indemnified Person at any time and from time to time, because of, resulting from, in connection with, or arising out of any transaction, act, omission, event or circumstance in any way connected with the Collateral, the Loan Documents (including enforcement of Administrative Agent’s, LC Issuer’s, or Lenders’ rights thereunder or defense of Administrative Agent’s, LC Issuer’s, or Lenders’ actions thereunder), any Default or Event of Default or any acts or omissions taken by such Indemnified Person in connection with this Agreement or administration of the Loan Documents.

“Indemnified Persons” means, collectively, Administrative Agent, Swing Lender, each Lender, each LC Issuer, and each of their Affiliates, Equity Interest owners, officers, directors, members, managers, partners, employees, agents and representatives.

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

“Installment Payment Date” means, with respect to each Loan, the first day of each calendar month, commencing with the calendar month immediately following the funding by the Lenders of such Loan.

“Instrument” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment.

“Interest Expense” means, for a Person for a period, total interest expense for such Person for such period, as determined in accordance with GAAP.



“Interest Period” means a period commencing on the first day of a calendar month and ending on the last day of such calendar month; provided, however, that the initial Interest Period hereunder shall commence on the Agreement Date and end on the last day of the calendar month in which the Agreement Date occurs and the final Interest Period hereunder shall commence on the first day of the last calendar month of the term of this Agreement and end on the Maturity Date.

“Inventory” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, with respect to a Person, goods (including goods in-transit) that (a) are held or to be held by such Person for sale or lease or to be furnished under a contract of service, (b) are leased or to be leased by such Person as lessor or (c) consist of raw materials, work in process, finished goods or materials used or consumed in such Person’s business.

“Inventory Sublimit” means \$30,000,000.

“Investment” means, with respect to any Person, any investment made, directly or indirectly by such Person in, to or with respect to any other Person, and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP, whether by (a) Acquisition of shares of capital stock or other Equity Interests, indebtedness, securities or other obligations, (b) a loan, guarantee, advance, capital contribution or other like investment, or (c) any purchase or other Acquisition (or any commitment to make any such purchase or other Acquisition) of all or a material portion of the assets of (or any division or business line of) any other Person, in each case, whether made in cash, by the transfer of property or otherwise (including, without limitation, any joint venture relationship).

“Investment Property” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, a security (whether certificated or uncertificated), security entitlement, securities account, commodity contract, or commodity account.

“IRC” means the Internal Revenue Code of 1986, as amended and in effect from time to

time.

“IRS” means the United States Internal Revenue Service.

“Joinder Agreement” has the meaning given to such term in Section 8.16. “Kinetic” has the meaning given to such term in the preamble hereto.

“Kinetic Security Agreement” means the General Business Security Agreement dated June 28, 2022 between Precision and Cash L. Masters, as trustee under the Cash L. Masters Revocable Trust dated October 19, 2005, as amended as of the Agreement Date and as may be amended or amended and restated from time to time in accordance with the Loan Documents.

“Kinetic Seller Note” means the Amended and Restated Subordinated Promissory Note dated on or about the Agreement Date in the amount of \$3,000,000 payable by Precision to Cash L. Masters, as trustee under the Cash L. Masters Revocable Trust dated October 19, 2005, as may be amended or amended and restated from time to time in accordance with the Loan Documents.

“Kinetic Subordinated Loan” the Debt outstanding under the Kinetic Seller Note.

“Kinetic Subordinated Loan Documents” means the Kinetic Seller Note and the Kinetic Subordination Agreement.

“Kinetic Subordination Agreement” means the Subordination Agreement dated as of the Agreement Date, between Administrative Agent and Cash L. Masters, as trustee under the Cash L. Masters Revocable Trust dated October 19, 2005, as acknowledged by Borrowers, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance therewith.

“LC Application” means an application (whether consisting of a single or several documents) by a Borrower to LC Issuer, in form and substance satisfactory to LC Issuer, for the issuance of a Letter of Credit, which application shall, among other things, provide for such Borrower’s reimbursement to LC Issuer for any amount paid by LC Issuer under a Letter of Credit.

“LC Collateral” has the meaning given to such term in Section 2.10(a). “LC Conditions” has the meaning given to such term in Section 2.6.

“LC Issuer” means each issuer of a Letter of Credit. The LC Issuer may be any of Wells Fargo, any Affiliate of Wells Fargo, any other financial institution designated by Legacy to issue Letters of Credit and their successors.

“LC Obligations” means, at any time of determination, the sum of all Matured LC Obligations plus the aggregate maximum amount which LC Issuer might then or thereafter be called upon to advance under all Letters of Credit then outstanding.

“LC Payment Amounts” means, collectively, (a) all payments made by Borrowers to Administrative Agent, in immediately available funds, for payment of any Matured LC Obligations owing to LC Issuer, and (b) all fees and expenses of LC Issuer for and relating to the issuance, amendment and drawing of each such Letter of Credit that are paid by Borrower to Administrative Agent, in immediately available funds, pursuant to the terms of Section 3.2(c)(ii).

“LC Sublimit” means \$3,000,000.

“LC Support” shall mean a guaranty, cash collateral or other support agreement in favor of Administrative Agent (for the benefit of Lender Parties), reasonably acceptable to Administrative Agent, pursuant to which the payment or performance by Borrowers of their obligations under an LC Application and/or in respect of any Letter of Credit, including the obligation to reimburse LC Issuer for any payment made by the LC Issuer under such Letter of Credit, is guaranteed or otherwise assured.

“Legacy” has the meaning set forth in the preamble hereto.

“Lender” and “Lenders” have the respective meanings set forth in the preamble hereto and shall include the Swing Lender and any other Person made a party to this Agreement in accordance with the provisions of Section 14.13.



“Lender Expenses” has the meaning prescribed by Section 14.5.

“Lender Parties” means, collectively, Administrative Agent, Swing Lender, LC Issuer and each Lender.

“Letter of Credit” means any standby letter of credit issued by an LC Issuer for the account of any Borrower pursuant to the terms hereof.

“Letter of Credit Rights” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference, and includes, without limitation, a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance and whether or not evidenced by a writing.

“Lien” means any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute, or contract, and including a security interest, collateral assignment, charge, claim, or lien arising from a security agreement, mortgage, deed of trust, encumbrance, pledge, hypothecation, assignment, deposit arrangement, conditional sale, trust receipt, lease, consignment or bailment for security purposes or similar agreement, or any contingent or other agreement to provide any of the foregoing.

“Live Ventures” means Live Ventures Incorporated, a Nevada corporation.

“Loan” means any loan or advance made by Lenders to Borrowers under this Agreement and includes Revolving Loans, the Term Cap Ex Loan, the Term Loan, and Swing Loans made by Swing Lender, and “Loans” means, collectively, all such loans and advances.

“Loan Documents” means this Agreement, each Guaranty Agreement, each Subordination Agreement, each Term Cap Ex Note (if any), each Term Note (if any), each Revolving Note (if any), each Pledge Agreement, each Control Agreement, each Collateral Access Agreement, each Perfection Certificate, each Borrowing Base Certificate, each Compliance Certificate, each LC Application, each Letter of Credit, each mortgage or deed of trust, and any other documents, instruments or agreements heretofore, now or hereafter evidencing, securing, guaranteeing or otherwise relating to or executed by any Credit Party in connection with the Obligations, the Collateral or any other aspect of the transactions contemplated by this Agreement, and in each case including any and all renewals, extensions, modifications, amendments, or restatements of any of the foregoing.

“Machinery” refers to Collateral that would be classified within the definition of “Equipment” but for the fact that such items have become so affixed to the related Real Property that an interest has arisen therein under real property law.

“Margin Stock” means “margin stock” as such term is defined in Regulation T, U or X of the Federal Reserve Board.

“Material Adverse Effect” means the occurrence of any of the following: (i) a material adverse change in, or effect on, the business, assets, operations, prospects or financial condition of

any Credit Party, (ii) a material impairment of the ability of any Credit Party to perform any obligations under the Loan Documents to which it is a party, (iii) a material adverse effect upon the Collateral or the validity, perfection or priority of Administrative Agent's Liens on the Collateral, or (iv) a material adverse effect upon the legality, validity, binding effect or enforceability of any Loan Document.

“Material Agreement(s)” means (a) the operating agreement, by-laws and other organizational documents of any Credit Party, and (b) any other contract, agreement, instrument, permit, lease or license, written or oral, of any Credit Party, which is material to any Credit Party's business or of which the termination or expiration could reasonably be expected to result in a Material Adverse Effect.

“Matured LC Obligations” means all amounts paid by LC Issuer on drafts or demands for payment drawn or made under or purported to be made under any Letter of Credit and all other amounts due and owing to LC Issuer under any LC Application, to the extent such amounts have not been repaid to LC Issuer or to the Administrative Agent for the account of LC Issuer (with the proceeds of Revolving Loans or otherwise).

“Maturity Date” means December 30, 2028, as such date may be extended in writing on a year-to-year basis by Administrative Agent and Lenders in their sole and absolute discretion.

“Maximum Drawing Amount” means, at the time in question, the sum of the maximum amounts which LC Issuer might then or thereafter be called upon to advance under all Letters of Credit which are then outstanding.

“Maximum Rate” means the maximum rate of interest permitted to be charged under Applicable Law from time to time in effect; provided, that in the event Applicable Law provides for an interest ceiling on any day under Chapter 303 of the Texas Finance Code, as amended (the “Texas Finance Code”), for that day the ceiling shall be the “monthly ceiling” as referred to and in effect from time to time under the provisions of Section 303.004 of the Texas Finance Code.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Credit Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding six plan years, has made or been obligated to make contributions.

“Net Amount” means:

(a) with respect to an Eligible Account or Eligible Investment Grade Account of any Borrower at any time, an amount equal to: (i) the gross amount of such Account less (ii) sales, excise or similar taxes, and all returns, discounts, claims, credits, rebates and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed; or

(b) with respect to Eligible Equipment, the net orderly liquidation value thereof, as determined based on the most recent appraisal thereof obtained from time to time by Administrative Agent and acceptable to Administrative Agent in its Permitted Discretion.



“Obligations” means all obligations, liabilities and indebtedness now or hereafter owing by any Credit Party to any Lender Party pursuant to or otherwise arising in connection with this Agreement or any other Loan Documents, including, without limitation, all loan repayment obligations, accrued interest obligations (including interest that accrues after the commencement of an insolvency proceeding, regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding), Indemnified Claims, Lender Expenses (including any fees or expenses that accrue after the commencement of an insolvency proceeding, regardless of whether allowed or allowable in whole or in part as a claim in such insolvency proceeding), LC Obligations, premiums, fees, or guaranties arising out of, under, pursuant to, in connection with or evidenced by this Agreement or any other Loan Document, in each case, whether direct or indirect, primary or secondary, joint, several, or joint and several, fixed or contingent, including indebtedness, liabilities and obligations, if any, which may be assigned to or acquired by any Lender Party, and any and all renewals and extensions of the foregoing or of any part thereof.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transactions pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Participant Register” has the meaning given to such term in Section 14.13(e).

“Patriot Act” means the USA Patriot Act (Title III of Pub. L. 107–56), as amended, supplemented or replaced from time to time.

“Payment Condition for Distributions” shall mean each of the following with respect to the applicable proposed payment: (a) a notice of termination with regard to this Agreement shall not be outstanding; (b) no Event of Default or Default shall be continuing or would occur after giving pro forma effect thereto; (c) for payment of a Distribution other than a Tax Distribution, Availability shall be greater than \$3,000,000 calculated on a pro forma basis including the amount of the proposed payment in such pro forma calculation, and (d) Borrowers shall have given Administrative Agent written notice of such proposed payment not less than five (5) days prior to the intended payment date, together with a Compliance Certificate that includes a certification as to satisfaction of the foregoing requirements and, if applicable, a pro forma calculation of Availability or a copy of the tax returns and supporting schedules used in determining the amount of a Tax Distribution.



“Payment Condition for Subordinated Debt” shall mean each of the following with respect to the applicable proposed payment: (a) a notice of termination with regard to this Agreement shall not be outstanding; (b) no Event of Default or Default shall be continuing or would occur after giving pro forma effect thereto; (c) with respect to payments of the Central Steel Earn-Out only, Availability shall be greater than \$3,000,000 calculated on a pro forma basis including the amount of the proposed payment in such pro forma calculation; (d) the payment is expressly permitted under the applicable Subordination Agreement, and (e) Borrowers shall have given Administrative Agent written notice of such proposed payment not less than five (5) days prior to the intended payment date, together with a Compliance Certificate that includes a certification as to satisfaction of the foregoing requirements and, if applicable, a pro forma calculation of Availability.

“Payment Intangibles” means all “payment intangibles” as defined in the UCC, which definition is incorporated herein by reference.

“Payment Recipient” has the meaning specified therefor in Section 14.21 of this Agreement.

“PBGC” shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

“Percentage Share” means, with respect to any Lender, (a) unless otherwise specifically set forth therein, when used in Sections 2.1, 2.2 or 3.2, in any request for Loans pursuant to Section 2.2, or when no Loans are outstanding hereunder, the percentage set forth opposite such Lender’s name on Schedule 1.1 and (b) when used otherwise, the percentage obtained by dividing (i) the sum of the unpaid principal balance of such Lender’s Loans at the time in question by (ii) the sum of the aggregate unpaid principal balance of all Loans at such time.

“Perfection Certificate” means the perfection certificate executed by the Credit Parties on and as of the Agreement Date which provides information with respect to the assets and/or property of such Credit Parties as of the Agreement Date and any additional similar perfection certificate delivered by one or more Credit Parties to the Administrative Agent after the Agreement Date pursuant to Section 8.16.

“Periodic Term SOFR Determination Day” has the meaning specified therefor in the definition of “Term SOFR”.

“Permitted Debt” shall have the meaning given to such term in Section 9.5.

“Permitted Discretion” means a determination made by the Administrative Agent or a Lender Party (as applicable) in the exercise of its commercially reasonable business judgment (from the perspective of a secured asset-based lender).

“Permitted Dispositions” shall have the meaning given to such term in Section 9.8. “Permitted Equipment Leases and Loans”

means equipment leases or purchase money

Debt that are either (i) outstanding as of the Agreement Date, or (ii) incurred in the ordinary course of business in connection with the lease or finance of equipment at no time exceeding the aggregate amount of \$250,000 outstanding.

“Permitted Holder” means Live Ventures.

“Permitted Investment” means, with respect to any Credit Party, (a) advances made in connection with purchases of goods and services in the ordinary course of business, (b) [reserved],

(c) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business, (d) guarantees constituting Permitted Debt, (e) direct obligations of the United States of America or any agency thereof, or obligations guaranteed by the United States of America, that mature within 180 days from the date of acquisition thereof, (f) certificates of deposit maturing within 180 days from the date of acquisition, issued by a commercial bank organized under the laws of the United States of America or any state thereof having capital and surplus aggregating at least \$500,000,000, (g) commercial paper of an issuer rated at least A-1 by Standard & Poor’s Corporate or P-1 from Moody’s Investor Services Inc., (h) money market mutual funds so long as substantially all of the assets of such fund are comprised of securities of the type described in clauses (e), (f) and (g) above, (i) travel and similar advances to employees made in the ordinary course of business not to exceed at any time \$150,000 in the aggregate as to all such Persons at any time outstanding, (j) ordinary extensions of credit and loans to customers buying goods, supplies and services in the ordinary course of business so long as not for longer periods than in the ordinary course of business and payable on customary trade terms for such Credit Party,

(k) deposits of cash made in the ordinary course of business to secure performance of other contractual obligations that do not constitute Debt, and (l) Investments by any Credit Party in a Borrower.

“Permitted Liens” means, with respect to any Credit Party, (a) Administrative Agent’s Liens, (b) Liens for unpaid taxes, assessments or other governmental charges or levies that either

(i) are not delinquent or (ii) do not have priority over the Administrative Agent’s Liens and are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which adequate reserves are maintained on the books of such Credit Party in accordance with GAAP, (c) [reserved], (d) Liens which secure Permitted Equipment Leases and Loans, but only to the extent such Liens attach only to the property acquired by the incurrence of such Permitted Equipment Leases and Loans and such Liens only secure the Debt incurred to acquire such property, (e) security deposits and cash deposits to public utilities or to any municipalities or Governmental Authority or other public authorities when required by such utility, municipality, Governmental Authority or other public authority in connection with the supply of services or utilities, (f) statutory Liens in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers or suppliers, incurred in the ordinary course of business of such Credit Party and not in connection with the borrowing of money, and which Liens are for sums not delinquent or sums being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which adequate reserves are maintained on the books of such Credit Party in accordance with GAAP, (g) Liens arising from deposits made in connection with obtaining worker’s compensation or other unemployment insurance or other social security or similar statutory obligations, (h) purported Liens evidenced by the filing of precautionary UCC or PPSA financing statements relating solely to operating leases of personal property entered into in the ordinary course of business, (i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection

with the importation of goods in the ordinary course of business and which are not delinquent or are being contested in good faith by appropriate proceedings and adequately reserved for in accordance with GAAP, (j) judgment liens in respect of judgments that do not constitute an Event of Default, (k) non-exclusive licenses

of intellectual property rights granted by such Credit Party in the ordinary course of business, (l) with respect to real property, zoning restrictions, easements, rights of way, restrictions, reservations, declarations, licenses, covenants, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of such Credit Party, (m) statutory or common law rights of setoff of depository banks with respect to funds of Credit Parties at such banks to secure fees and charges in connection with returned items or the standard fees and charges of such banks in connection with Deposit Accounts maintained by Credit Parties at such banks (but not any other Debt or other obligations) and customary bankers' liens to the extent permitted by a Control Agreement, and (n) a junior Lien in favor of Kinetic granted by Kinetic pursuant to the Kinetic Security Agreement that is subject at all times the Kinetic Subordination Agreement.

“Person” means any natural person, corporation, joint venture, limited liability company, general partnership, limited partnership, limited liability limited partnership, trust, land trust, unincorporated organization or Governmental Authority.

“Pledge Agreement” means, collectively, each Pledge Agreement now or hereafter executed by any Credit Party in favor of the Administrative Agent, for the benefit of the Lender Parties, pursuant to which such Credit Party pledges and grants to Administrative Agent, as security for such Credit Party's Obligations, a security interest in all or any portion of the Equity Interests owned by it, in form and substance acceptable to Administrative Agent in its Permitted Discretion, as amended, restated, supplemented or otherwise modified from time to time.

“PPSA” means collectively, the Personal Property Security Act (Ontario) (as amended and in effect from time to time) or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests on personal and movable property and any successor statutes, in each case together with any regulations thereunder, as in effect from time to time.

“Precision” has the meaning given to such term in the preamble hereto. “Prepayment Event” means:

(a) any sale, lease or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Credit Party, other than dispositions described in Section 9.8(b); or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Credit Party; or

(c) the issuance by any Credit Party of any Equity Interests for cash consideration, or the receipt by any Credit Party of any cash capital contribution; or

(d) the incurrence by any Credit Party of any Debt, other than Debt permitted under Section 9.5.

“Proprietary Rights” means collectively, all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational, foreign laws or otherwise,

including, without limitation, inventions, invention disclosures, designs, blueprints, plans, specifications, licenses, permits, patents, patent rights, copyrights, works which are the subject matter of copyrights, trademarks, service marks, trade names, trade styles, patent, trademark and service mark applications, trade secrets, domain names, good will and all licenses and rights related to any of the foregoing, including, without limitation, all royalties, license fees or other payments due under or in respect of any of the foregoing, all extensions, renewals, reissues, divisions and continuations of any of the foregoing, and all rights to sue at law or in equity for past, present and future infringement, misappropriation, violation or other impairment of any of the foregoing, including the right to receive all proceeds and damages therefrom.

“Protective Advances” has the meaning set forth in Section 2.4.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

“QFC Credit Support” has the meaning specified therefor in Section 14.20 of this Agreement.

“Real Property” means any estates or interests in real property now owned or hereafter acquired by any Credit Party and the improvements thereto.

“Recipient” means any of (a) the Administrative Agent, (b) the Swing Lender, (c) any Lender, or (d) any LC Issuer, as applicable and “Recipients” means all of the foregoing collectively.

“Refinanced Lender” means Fifth Third Bank.

“Register” has the meaning given to such term in Section 14.13(b).

“Relevant Governmental Body” means the Board of Governors or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors or the Federal Reserve Bank of New York, or any successor thereto.

“Reportable Event” shall mean an event described in Section 4043(c) of ERISA with respect to an ERISA Benefit Plan that is subject to Title IV of ERISA other than those events as to which the 30 day notice period is waived under 29 C.F.R. Sections 4043.22, .23, .25, .27 or .28.

“Reporting Date” means, with respect to any Schedule hereto, (i) initially, the Agreement Date and (ii) thereafter, the most recent date as to which such Schedule was updated or required to be updated, as applicable, in accordance with the terms hereof.

“Required Lenders” means (a) Administrative Agent (acting solely in its capacity as Administrative Agent) and (b) Lenders whose aggregate Percentage Shares equal or exceed fifty-one percent (51%); provided, however, at any time there are two (2) or more Lenders, Required Lenders must include at least two (2) Lenders.

“Reserves” means, as of any date of determination, reserves that Administrative Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(a) for

purposes of calculating the Borrowing Base in such amounts and at such times and with respect to such matters and for such purposes as Administrative Agent deems appropriate without prior notice to Borrowers, including a Dilution Reserve and reserves with respect to collection performance, slow moving or obsolete Inventory, contingencies, amounts a Borrower is or may be required to pay (such as taxes, freight and shipping charges, duties, insurance premiums, royalties, amounts owing to licensors, landlords, warehousemen, carriers, mechanics, materialmen, laborers or suppliers, sales and freight liabilities with respect to in-transit inventory, goods and services taxes, sales tax, or ad valorem, excise, sales, or other taxes), wage lien requirements of any applicable State (including, without limitation, Wisconsin wage lien requirements), or any other matter in Administrative Agent's Permitted Discretion.

"Responsible Officer" means, for any Person, the chief executive officer, chief financial officer, treasurer or president of such Person or any other Person authorized by board resolution and approved by Administrative Agent in its Permitted Discretion.

"Revolving Credit Limit" means \$31,152,000 as of the Agreement Date and, as of any date of determination thereafter, the Total Facility Amount minus (a) the aggregate outstanding principal balance of the Term Loan, minus (b) the Term Cap Ex Commitment, minus (c) the aggregate outstanding principal balance of the Term Cap Ex Loan.

"Revolving Exposure" means, as of any date of determination, the aggregate outstanding principal balance of the Revolving Loans plus all LC Obligations.

"Revolving Loans" has the meaning set forth in Section 2.1(a). For the avoidance of doubt, Swing Loans constitute Revolving Loans.

"Revolving Note" has the meaning set forth in Section 2.1(a).

"Sanctioned Entity" means (a) a country or territory or a government of a country or territory, (b) an agency of the government of a country or territory, (c) an organization directly or indirectly controlled by a country or territory or its government, or (d) a Person resident in or determined to be resident in a country or territory, in each case of clauses (a) through (d) that is a target of Sanctions, including a target of any country sanctions program administered and enforced by OFAC.

"Sanctioned Person" means, at any time (a) any Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, OFAC's consolidated Non-SDN list or any other Sanctions-related list maintained by any Governmental Authority, (b) a Person or legal entity that is a target of Sanctions, (c) any Person operating, organized or resident in a Sanctioned Entity, or (d) any Person directly or indirectly owned or controlled (individually or in the aggregate) by or acting on behalf of any such Person or Persons described in clauses (a) through (c) above.

"Sanctions" means individually and collectively, respectively, any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes Anti-Terrorism Laws and other sanctions laws, regulations or embargoes, including

those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of

Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d) His Majesty's Treasury of the United Kingdom, or (e) any other Governmental Authority with jurisdiction over any Lender Parties or any Credit Party or any of their respective Subsidiaries or Affiliates.

“Securities Account” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and any successor statute.

“Securities Intermediary” has the meaning prescribed for such term as defined by the UCC, which definition is incorporated herein by reference.

“Settlement” has the meaning set forth in Section 2.5(b). “Settlement Date” has the meaning set forth in

Section 2.5(b).

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Loan” means each portion of a Loan that bears interest at a rate determined by reference to Term SOFR (other than pursuant to clause (c) of the definition of “Base Rate”).

“Solvent” means, when used with respect to any Person at any time of determination, that:

(a) the assets of such Person, at a fair valuation, are in excess of the total amount of its liabilities (including contingent, subordinated, unmatured and unliquidated liabilities); and

(b) the present fair saleable value of such Person's assets is greater than the total amount of its existing debts (including contingent, subordinated, unmatured and unliquidated liabilities) as such debts become absolute and matured; and

(c) such Person is then able and expects to be able to pay its debts (including contingent, subordinated, unmatured and unliquidated liabilities) as they mature; and

(d) such Person has capital sufficient to carry on its business as conducted and as proposed to be conducted.

For purposes of determining whether a Person is Solvent, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified FCCR” means, for any Fiscal Month, the ratio determined by Administrative Agent for such Fiscal Month and delivered to Borrower Representative by Administrative Agent in writing. The Specified FCCR shall be determined by Administrative Agent in its Permitted Discretion based on such financial and other information in respect of Credit Parties that Administrative Agent deems appropriate for its consideration (which may include, but is not limited to, Administrative Agent’s original credit approval in respect of the Credit Parties and additionally may include, but need not be based upon, budgetary information provided by Borrowers pursuant to Section 8.4(c) of this Agreement that is acceptable to Administrative Agent).

“Subordinated Debt” means the Central Steel Subordinated Loan, the Kinetic Subordinated Loan, the Advisory Services Obligations, and any other Debt (whether secured or unsecured) that is subordinated to the Obligations pursuant to a Subordination Agreement, in amount(s) and on terms acceptable to Administrative Agent in its Permitted Discretion, including a maturity date no sooner than six (6) months after the Maturity Date.

“Subordinated Loan Document(s)” means the Central Steel Subordinated Loan Documents, the Kinetic Subordinated Loan Documents, the Advisory Services Agreement, and any other documentation related to Subordinated Debt, as may be renewed, extended, amended, supplemented, restated or otherwise modified from time to time in accordance with the terms of the Loan Documents.

“Subordination Agreement” means each of (a) the Central Steel Subordination Agreement, (b) the Kinetic Subordination Agreement, (c) Advisory Services Fee Subordination Agreement, and (d) any subordination agreement among Administrative Agent, the applicable Credit Party and the applicable third party creditor pursuant to which all obligations and indebtedness now or hereafter owing by such Credit Party to such creditor are subordinated to the Obligations in right of payment and claim, and all Liens securing such obligations and indebtedness are subordinated to Administrative Agent’s Liens in the Collateral, in form and substance satisfactory to Administrative Agent in its Permitted Discretion.

“Subsidiary” means, with respect to a Person, any other Person of which more than 50% of the voting Equity Interests is owned or controlled directly or indirectly by such Person or one or more of its Subsidiaries, or a combination thereof; provided, that for the purposes of this definition, any Person that is required to be consolidated with a Credit Party in accordance with GAAP will be considered to be a Subsidiary of such Credit Party.

“Supported QFC” has the meaning specified therefor in Section 14.20 of this Agreement. “Supporting Obligations” has the

meaning prescribed for such term as defined by the UCC,

which definition is incorporated herein by reference and includes letters of credit and guaranties issued in support of Accounts, Chattel Paper, Documents, General Intangibles, Instruments or Investment Property.

“Swing Lender” means Legacy or any successor Lender in such capacity. “Swing Loan” has the meaning specified therefor in Section 2.2(b) hereof.

“Swing Loan Sublimit” means \$3,000,000.

“Tax Distribution(s)” means each annual Distribution made by Holdings in the amount of the Increased Tax Burden of Live Ventures for the previous Fiscal Year.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority or taxing authority thereof or therein, including any interest, additions to tax or penalties applicable thereto.

“Term Cap Ex Commitment” means \$6,000,000, less the amount of each Term Cap Ex Loan Advance made.

“Term Cap Ex Commitment Period” means the period from the Agreement Date through the Termination Date.

“Term Cap Ex Loan” has the meaning given to such term in Section 2.1(b).

“Term Cap Ex Loan Advance” has the meaning given to such term in Section 2.1(b). “Term Cap Ex Loan Primary Collateral”

means all Eligible Equipment purchased with the proceeds of a Term Cap Ex Loan Advance.

“Term Cap Ex Note” has the meaning given to such term in Section 2.1(b). “Term Loan” has the meaning given to such term in Section 2.1(c).

“Term Loan Amount” means \$9,848,000.

“Term Loan Primary Collateral” means all Eligible Equipment, other than Term Cap Ex Loan Primary Collateral.

“Term Note” has the meaning given to such term in Section 2.1(c). “Term SOFR” means,

(a) for any calculation with respect to a SOFR Loan on the applicable day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of each Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR

Reference Rate for a tenor of one month as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for a tenor of one month was published by the Term SOFR Administrator so long as such first preceding U.S.

Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on each day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for a tenor of one month as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for a tenor of one month was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day;

provided, further, that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Administrative Agent in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR. “Termination Date” means the earlier of (a)

the Maturity Date, (b) the day on which the

obligations of Lenders to make Loans hereunder have been terminated pursuant to Section 4.2 or Section 12.1 or (c) the day on which the Obligations first become due and payable in full (or, with the exception of contingent indemnity obligations for which no claim has been asserted, are paid in full) and the obligation of Lenders to make Loans hereunder are terminated.

“Termination Event” shall mean (i) a Reportable Event with respect to any ERISA Benefit Plan; (ii) the existence with respect to any ERISA Benefit Plan of a non-exempt “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the IRC); (iii) the withdrawal of any Credit Party or any ERISA Affiliate from an ERISA Benefit Plan or Multiemployer Plan during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA; (iv) the providing of notice of intent to terminate an ERISA Benefit Plan in a distress termination described in Section 4041(c) of ERISA; (v) the institution by the PBGC of proceedings to terminate an ERISA Benefit Plan or Multiemployer Plan; (vi) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any ERISA Benefit Plan or Multiemployer Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (vii) the partial or complete withdrawal within the

meaning of Sections 4203 and 4205 of ERISA, of any Credit Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization.

“Testing Period” means, at any date of testing, the most recently ended twelve (12) consecutive Fiscal Months of Borrowers and their Subsidiaries ending on or prior to such date; provided, however, for the purpose of determining the Fixed Charge Coverage Ratio for each date of testing through and including September 30, 2026, each Testing Period shall commence on October 1, 2025 and end on such date of testing.

“Total Facility Amount” means \$47,000,000, as adjusted in accordance with this Agreement, including pursuant to Section 2.14.

“Trading with the Enemy Act” shall mean the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any enabling legislation or executive order relating thereto.

“UCC” means the Uniform Commercial Code in effect in the State of Texas, as amended from time to time.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unfinanced Capital Expenditures” means Capital Expenditures funded from any source other than Permitted Equipment Leases and Loans or from the proceeds of a Term Cap Ex Loan Advance. A Capital Expenditure initially funded from a Revolving Loan will constitute an Unfinanced Capital Expenditure until such time as a Term Cap Ex Loan Advance is made and applied to reduce the outstanding balance of the Revolving Loans by the amount of such Capital Expenditure funded from such Revolving Loan.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.2, such day is also a Business Day.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the IRC.

“U.S. Special Resolution Regimes” has the meaning specified therefor in Section 14.20 of this Agreement.

“U.S. Tax Compliance Certificate” has the meaning given to such term in Section 3.5. “Weekly Reporting Period” shall commence on either (a) the date of any Default or Event of Default, or (b) any date that Availability is less than or equal to twenty-five percent (25%) of the Total Facility Amount.

“Wells Fargo” means Wells Fargo Bank, National Association, and its successors.

Section 1.2. Interpretive Provisions. Unless expressly provided otherwise, any term which is defined by the UCC or the PPSA, as applicable, wherever used in this Agreement, shall

have the same meaning as is prescribed by the UCC or the PPSA, respectively. The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. The words “hereof,” “herein,” “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless the context indicates otherwise, references to “Section,” “Subsection,” “clause” “Schedule” and “Exhibit” are references to this Agreement. The term “documents” (if not capitalized as a defined term) includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term “including” is not limiting and means “including without limitation.” Unless the context requires otherwise, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding” and the word “through” means “to and including.” The term “discretion” when used in reference to a Person means, unless qualified by the word “reasonable”, the sole and absolute discretion of such Person. Unless otherwise expressly provided herein, references to agreements (including this Agreement) and other contractual documents shall be deemed to include all subsequent amendments, restatements and other modifications thereto, and references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement. A Default or an Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, in the case of a Default only, is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall “continue” or be “continuing” until such Event of Default has been waived in writing by Required Lenders. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists. All representations and warranties hereunder are continuing and shall be given independent effect so that if a particular representation or warranty is or becomes incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder. This Agreement and the other Loan Documents are the result of negotiations among the parties, have been reviewed by counsel to each party and are the products of all parties, and in consideration thereof, it is agreed that they shall not be construed against either party solely because of such party’s involvement in their preparation. Unless otherwise specified, any reference to time shall be deemed to mean Central Standard Time or Central Daylight Time, as applicable, as in effect in Collin County, Texas. Notwithstanding anything to the contrary herein, any breach of the Fixed Charge Coverage Ratio shall be deemed to have occurred as of the last day of any applicable Testing Period regardless of when the financial statements or the related Compliance Certificate reflecting such breach are delivered to the Administrative Agent.

Section 1.3. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred

from the original Person to the subsequent Person, and (b) if any new Person comes into existence,

such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.4. Rates. Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.13(a)(iii), will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Term SOFR, or any other Benchmark, prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, and such transactions may be adverse to the Borrower. Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## **ARTICLE II LOANS**

### Section 2.1. Loans.

(a) Revolving Loans. Subject to the terms and provisions of this Agreement, each Lender agrees to make advances to Borrowers from time to time during the period from the date of this Agreement to the Termination Date in an amount not exceeding such Lender's Percentage Share of the Availability as of such time of determination (such advances made by Lenders pursuant to this Section 2.1(a) collectively, the "Revolving Loans"); provided, that in no event shall the Revolving Exposure exceed the Revolving Credit Limit minus any Availability Block. Borrower may borrow, repay and re-borrow Revolving Loans from time to time, subject to the terms of this Agreement. Administrative Agent shall have the continuing right to establish and maintain any Reserves for purposes of calculating the Borrowing Base in such amounts and at such times and with respect to such matters and for such purposes as Administrative Agent deems appropriate in its Permitted Discretion without prior notice to Borrowers. Any such Reserves are solely for purposes of calculating the Borrowing Base and do not constitute or represent cash funds. No Revolving Loans shall be evidenced by a note unless requested otherwise by a Lender, in which case such Lender's Revolving Loans shall be evidenced by a

note executed by Borrowers in favor of such Lender (each, as amended, supplemented, restated or

otherwise modified, a “Revolving Note”) in form and substance reasonably satisfactory to Administrative Agent and such Lender.

(b) Term Cap Ex Loan. Subject to the terms and provisions of this Agreement, each Lender agrees to make term loan advances to Borrowers from time to time during the Term Cap Ex Commitment Period for the purpose of purchasing Eligible Equipment in an amount not to exceed such Lender’s Percentage Share of the Term Cap Ex Commitment at such time (each such term loan advance, a “Term Cap Ex Loan Advance” and all Term Cap Ex Loan Advances, collectively, the “Term Cap Ex Loan”). Each Term Cap Ex Loan Advance shall equal or exceed \$500,000 (or, if the amount of the then-existing Term Cap Ex Commitment is less, the remaining Term Cap Ex Commitment); provided, that (i) no more than one (1) Term Cap Ex Loan Advance will be made during any calendar quarter, and (ii) no Term Cap Ex Loan Advance may exceed eighty percent (80%) of the purchase price for new Eligible Equipment to be acquired with the proceeds thereof less any installation, software, freight, taxes, and other soft costs relating to the purchase thereof, regardless of whether such costs are capitalized in accordance with GAAP or included on a vendor invoice. Once amounts on the Term Cap Ex Loan are repaid, Borrowers may not re-borrow any advances on the Term Cap Ex Loan. The Term Cap Ex Loan shall not (and no portion of any Term Cap Ex Loan shall) be evidenced by a note unless requested by a Lender, in which case the Term Cap Ex Loan shall be evidenced by a note executed by Borrowers in favor of such Lender (each, as amended, supplemented, restated or otherwise modified, a “Term Cap Ex Note”) in form and substance reasonably satisfactory to Administrative Agent and such Lender.

(c) Term Loan. Subject to the terms and provisions of this Agreement, each Lender agrees to make a term loan to Borrowers in an amount equal to such Lender’s Percentage Share of the Term Loan Amount (such term loan of Lenders collectively, the “Term Loan”). Amounts paid on the Term Loan may not be re-borrowed. The Term Loan shall not (and no portion of any Term Loan shall) be evidenced by a note unless requested by a Lender, in which case such Lender’s Term Loan shall be evidenced by a note executed by Borrowers in favor of such Lender (each, as amended, supplemented, restated or otherwise modified, a “Term Note”) in form and substance satisfactory to Administrative Agent and such Lender in their Permitted Discretion.

(d) Accounting for Loans. Administrative Agent shall maintain, in accordance with its usual practice, electronic or written records evidencing the outstanding Obligations of each Borrower to each Lender, including without limitation the Obligations resulting from each Loan made by such Lender to each Borrower from time to time, and the amounts of principal and interest payable and paid to such Lender from time to time in respect of each Loan. The entries made in the electronic or written records maintained pursuant to this Section 2.1(d) shall be prima facie evidence of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligations of the Borrowers to repay their respective Obligations in accordance with the terms of this Agreement and the other Loan Documents absent manifest error.

Section 2.2. Request for and Making of Revolving Loans and the Term Cap Ex Loan Advances; Swing Loans.

(a) Request for Revolving Loans and Term Cap Ex Loan Advances. Borrower Representative shall request each Revolving Loan, on behalf of all Borrowers, by delivering to

Administrative Agent a written Borrowing Notice, signed by a Responsible Officer of Borrower Representative, accompanied by a Borrowing Base Certificate complying with Section 8.5 and reflecting sufficient Availability. Borrower Representative shall request each Term Cap Ex Loan Advance, on behalf of all Borrowers, by delivering to Administrative Agent a written Borrowing Notice, signed by a Responsible Officer of Borrower Representative, and such other information and documentation as Administrative Agent may reasonably require relating to Eligible Equipment being financed by such Loan, including invoices and delivery receipts. Unless otherwise agreed by Administrative Agent, each request for a Loan shall be irrevocable and, in order to be effective, must be received by Administrative Agent prior to 10:00 a.m., Plano time, two (2) Business Days prior to the requested funding date, specifying (i) the amount of the requested Loan, and (ii) the requested funding date, which shall be a Business Day.

(b) Making of Swing Loans. In the case of a request for a Revolving Loan (other than the initial Revolving Loan, which may not be funded through a Swing Loan) and so long as the aggregate outstanding amount of Swing Loans at such time does not exceed the Swing Loan Sublimit, after giving effect to the amount of collections or payments applied to Swing Loans since the last Settlement Date plus the amount of the current requested Revolving Loans, Swing Lender shall make Revolving Loans in the amount of such borrowing (any such advance made solely by Swing Lender pursuant to this Section 2.2(b) being referred to as a “Swing Loan” and such advances being referred to collectively as “Swing Loans”) on the requested funding date applicable thereto (in lieu of any Revolving Loan that otherwise may be made by Lenders pursuant to such request) by transferring immediately available funds to the Designated Account, provided, that, the request must be received by Administrative Agent prior to 10:00 a.m., Plano, TX time, one (1) Business Day prior to the requested funding date. Each Swing Loan shall be deemed to be a Revolving Loan hereunder and shall be subject to all the terms and conditions applicable to other advances of Revolving Loans, except that all payments on any Swing Loan shall be payable to Swing Lender solely for its own account. Subject to the provisions of Section 2.2(c)(ii), Swing Lender shall not make and shall not be obligated to make any Swing Loan if Swing Lender reasonably determines in good faith that (i) one or more of the applicable conditions precedent set forth in Article VI will not be satisfied or waived on the requested funding date, or (ii) the requested borrowing would exceed the Availability on such funding date. Swing Lender shall not otherwise be required to determine whether the applicable conditions precedent set forth in Article VI have been satisfied or waived on the funding date applicable thereto prior to making any Swing Loan. The Swing Loans shall be secured by the Administrative Agent’s Liens, constitute Obligations hereunder, and bear interest at the rate applicable from time to time to Revolving Loans.

(c) Making of Loans.

(i) Promptly after receipt of a Borrowing Notice relating to a Revolving Loan or a Term Cap Ex Loan Advance pursuant to Section 2.2(a), and in any event not later than 1:00 p.m., Plano time, on the Business Day such Borrowing Notice was received by Administrative Agent, and in the event that Swing Lender is not making a Swing Loan (with respect to a request for a borrowing of a Revolving Loan), Administrative Agent shall notify Lenders, by email, telephone, or other similar form of transmission, of the requested borrowing. Each Lender shall make the amount of such

Lender's Percentage Share of the requested borrowing available to Administrative Agent in immediately available funds, to

an account designated by Administrative Agent, not later than 10:00 a.m., Plano time, on the funding date applicable thereto. After Administrative Agent's receipt of the proceeds thereof, Administrative Agent shall make the proceeds thereof available to Borrowers on the applicable funding date by transferring immediately available funds equal to such proceeds received by Administrative Agent to the Designated Account; provided, however, that, subject to the provisions of Section 2.2(c)(ii), Administrative Agent shall not be required to request any Lender to make, and no Lender shall have the obligation to make, any advance if (1) one or more of the applicable conditions precedent set forth in Article VI will not be satisfied on the requested funding date for the applicable borrowing unless such condition has been waived, (2) with respect to a request for a Revolving Loan, the requested borrowing would exceed the Availability on such funding date, or (3) with respect to a request for a Term Cap Ex Loan Advance, the requested Term Cap Ex Loan Advance exceeds the Term Cap Ex Commitment. Each Lender shall make the amount of such Lender's Percentage Share of the Term Loan available to Administrative Agent on the Agreement Date in immediately available funds to an account designated by Administrative Agent not later than 10:00 a.m. on such date, and Administrative Agent shall make the Term Loan available to Borrowers by transferring immediately available funds equal to the Term Loan Amount to the Designated Account on such date; provided, however, that no Lender shall have the obligation to make its Percentage Share of the Term Loan and Administrative Agent shall not make the Term Loan available to Borrowers unless all conditions precedent set forth in Article VI have been satisfied in full (or waived by Administrative Agent and the appropriate Lenders).

(ii) Unless Administrative Agent receives notice from a Lender prior to 9:00 a.m., Plano time, on the date of a borrowing of any Loan, that such Lender will not make available as and when required hereunder to Administrative Agent for the account of Borrowers the amount of that Lender's Percentage Share of such borrowing, Administrative Agent may assume that each Lender has made or will make such amount available to Administrative Agent in immediately available funds on the respective funding date and Administrative Agent may (but shall not be so required), in reliance upon such assumption, make available to Borrowers on such date a corresponding amount. If any Lender shall not have made its full amount available to Administrative Agent in immediately available funds and if Administrative Agent in such circumstances has made available to Borrowers such amount, that Lender shall on the Business Day following such funding date make such amount available to Administrative Agent, together with interest at the Defaulting Lender Rate for each day during such period. A notice submitted by Administrative Agent to any Lender with respect to amounts owing under this subsection shall be conclusive, absent manifest error. If such amount is so made available, such payment to Administrative Agent shall constitute such Lender's advance on the date of borrowing for all purposes of this Agreement. If such amount is not made available to Administrative Agent on the Business Day following the funding date, Administrative Agent will notify Borrowers of such failure to fund and, upon demand by Administrative Agent, Borrowers shall pay such amount to Administrative Agent for Administrative Agent's account, together with interest thereon for each day elapsed since the date of such borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans composing such borrowing. The failure of any Lender

to make any advance on any funding date shall not relieve any other Lender of any obligation hereunder to make an advance on

such funding date, but no Lender shall be responsible for the failure of any other Lender to make the advance to be made by such other Lender on any funding date.

(iii) Administrative Agent shall not be obligated to transfer to a Defaulting Lender any payments made by Borrowers to Administrative Agent for such Defaulting Lender's benefit, and, in the absence of such transfer to a Defaulting Lender, Administrative Agent shall transfer any such payments to each other non-defaulting Lender Party ratably in accordance with their Commitments (but only to the extent that such Defaulting Lender's advance was funded by the other Lender Parties) or, if so directed by Borrower Representative and if no Default or Event of Default has occurred and is continuing (and to the extent such Defaulting Lender's advance was not funded by the Lender Parties), retain same to be re-advanced to Borrowers as if such Defaulting Lender had made advances to Borrowers. Subject to the foregoing, Administrative Agent may hold and, in its sole discretion, re-lend to Borrowers for the account of a Defaulting Lender the amount of all such payments received and retained by Administrative Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents, a Defaulting Lender shall be deemed not to be a "Lender" and such Defaulting Lender's Percentage Share shall be deemed to be zero. This Section shall remain effective with respect to a Defaulting Lender until (x) the Obligations under this Agreement shall have been declared or shall have become immediately due and payable, (y) the non-Defaulting Lenders, Administrative Agent, and Borrowers shall have waived such Defaulting Lender's default in writing, or (z) such Defaulting Lender makes its Percentage Share of the applicable advance and pays to Administrative Agent all amounts owing by such Defaulting Lender in respect thereof. The operation of this Section shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by any Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Borrower of its duties and obligations hereunder to Administrative Agent or to the Lenders other than a Defaulting Lender. Any such failure to fund by a Defaulting Lender shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle Borrowers at their option, upon written notice to Administrative Agent by Borrower Representative, and without prejudice to any rights Borrowers may have against such Defaulting Lender as a result of such Defaulting Lender's breach of this Agreement, to arrange for a substitute Lender to assume the Commitment of such Defaulting Lender, such substitute Lender to be reasonably acceptable to Administrative Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no right to refuse to be replaced hereunder.

(iv) Notwithstanding anything herein relating to the Lenders making funds available to the Administrative Agent and provisions relating to Defaulting Lenders, so long as the Administrative Agent or its Affiliate is the sole Lender hereunder, subject to the terms and conditions set forth herein (including, without limitation, any condition precedent to the making of any Loan), Administrative Agent shall fund the proceeds of such requested Loan into the Designated Account on the applicable funding date.



(d) Disbursement of Proceeds; Borrower Representative. Unless otherwise requested by Borrower Representative and agreed by Administrative Agent, the proceeds of each Loan, when funded, shall be disbursed by Administrative Agent to the Designated Account. Each Borrower shall have the full benefit of and access to each Loan made hereunder. Each Borrower (other than Precision) hereby designates and appoints Precision to act as Borrower Representative for and on behalf of it for purposes of requesting Loans, requesting Letters of Credit, and for all other purposes hereunder and under the other Loan Documents for which Borrower Representative acts from time to time. The agency relationship established pursuant to this Section 2.2(d) is for administrative convenience only and such agency relationship shall not extend to any matter outside the scope of the Loan Documents.

(e) Joint and Several Obligations. Each Credit Party hereby agrees that the Obligations under this Agreement and the other Loan Documents are joint and several obligations of each Credit Party.

(f) No Fraudulent Conveyances. Notwithstanding any provisions of this Agreement to the contrary, it is intended that the joint and several nature of the Obligations and the Liens granted by the Credit Parties to secure the Obligations not constitute a "Fraudulent Conveyance" (as defined below). Consequently, the Lender Parties and the Credit Parties agree that if the liability of any Credit Party for the Obligations, or any Liens granted by such Credit Party securing the Obligations would, but for the application of this sentence, constitute a Fraudulent Conveyance, the liability of Credit Party for the Obligations and the Liens securing such Obligations shall, to the fullest extent permitted by Applicable Law, be valid and enforceable against such Credit Party and its assets only to the maximum extent that would not cause such Obligations or such Liens to constitute a Fraudulent Conveyance, and the liability of such Credit Party for the Obligations shall automatically be deemed to have been amended accordingly. For purposes hereof, "Fraudulent Conveyance" means a fraudulent conveyance under Section 548 of the Bankruptcy Code or a voidable transfer, fraudulent conveyance, or fraudulent transfer under the applicable provisions of any voidable transfer, fraudulent conveyance or fraudulent transfer law or similar law of any state, nation or other governmental unit, as in effect from time to time.

Section 2.3. Deemed Request for Revolving Loans. Each Borrower irrevocably authorizes the Administrative Agent, on behalf of each Lender, at its election and without necessity for request by any Borrower, to make a Revolving Loan in an amount equal to any amount due and owing by Borrowers pursuant to the terms of this Agreement and the other Loan Documents, including, without limitation, payments of principal, interest, fees and Lender Expenses, and to apply the proceeds thereof in payment of such Obligations. Any such Revolving Loans shall be secured by the Collateral and shall be included in the Obligations.

Section 2.4. Protective Advances. Upon the occurrence and during the continuance of a Default or an Event of Default, Administrative Agent is authorized to request, from time to time in its discretion (but without any obligation to do so), that Lenders make, and upon each such request Lenders shall make, Revolving Loans which Administrative Agent deems necessary or appropriate to cause compliance with the terms of this Agreement or the other Loan Documents in accordance with Section 5.6, to preserve or protect the Collateral, or any portion thereof, or to

enhance the likelihood of collection of any of the Obligations (“Protective Advances”). The proceeds of such Protective Advances shall be paid to Administrative Agent or such third-party as Administrative

Agent directs. All such Revolving Loans shall be secured by the Collateral and shall be included in the Obligations.

Section 2.5. Settlement of Swing Loans. It is agreed that each Lender's funded portion of the Loans is intended by the Lenders to equal, at all times, such Lender's Percentage Share of the outstanding Loans. Such agreement notwithstanding, Administrative Agent, Swing Lender, and the other Lenders agree (which agreement shall not be for the benefit of Borrowers) that in order to facilitate the administration of this Agreement and the other Loan Documents, settlement among the Lenders as to the Revolving Loans and the Swing Loans shall take place on a periodic basis in accordance with this the following provisions:

(a) Administrative Agent shall request settlement ("Settlement") with the Lenders on a weekly basis, or on a more frequent basis if so determined by Administrative Agent on behalf of Swing Lender, with respect to the outstanding Swing Loans, as to each by notifying the Lenders by email, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m., Plano time, on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans (including, without limitation, Swing Loans) for the period since the prior Settlement Date. Subject to the terms and conditions contained herein: (y) if a Lender's balance of the Revolving Loans (including Swing Loans) exceeds such Lender's Percentage Share of the Revolving Loans (including Swing Loans) as of a Settlement Date, then Administrative Agent shall, by no later than 12:00 p.m., Plano time, on the Settlement Date, transfer in immediately available funds to a deposit account of such Lender (as such Lender may designate), an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Percentage Share of the Revolving Loans (including Swing Loans), and (z) if a Lender's balance of the Revolving Loans (including Swing Loans) is less than such Lender's Percentage Share of the Revolving Loans (including Swing Loans) as of a Settlement Date, such Lender shall no later than 12:00 p.m., Plano time, on the Settlement Date transfer in immediately available funds to the account designated by the Administrative Agent, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Percentage Share of the Revolving Loans (including Swing Loans). Such amounts made available to Administrative Agent under clause (z) of the immediately preceding sentence shall be applied against the amounts of the applicable Swing Loans and, together with the portion of such Swing Loans representing Swing Lender's Percentage Share thereof, shall constitute advances of such Lenders. If any such amount is not made available to Administrative Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Administrative Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(b) In determining whether a Lender's balance of the Revolving Loans (including Swing Loans) is less than, equal to, or greater than such Lender's Percentage Share as of a Settlement Date, Administrative Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Administrative Agent with respect to principal, interest, fees payable by Borrowers and allocable to the Lenders hereunder, and proceeds of Collateral.



(c) Between Settlement Dates, Administrative Agent, to the extent Swing Loans are outstanding, may pay over to Administrative Agent or Swing Lender, as applicable, any collections or payments received by Administrative Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Swing Loans.

#### Section 2.6. Letters of Credit.

(a) Requesting Letters of Credit. Subject to the terms and conditions hereof, any Borrower may at any time prior to the Termination Date request LC Issuer to issue, or to amend or extend the expiration date of one or more Letters of Credit so long as the following conditions are met (collectively, the “LC Conditions”): (i) the amount of the requested Letter of Credit does not exceed Availability; (ii) the amount of LC Obligations, after taking such Letter of Credit into account, does not exceed the LC Sublimit; (iii) the expiration date of such Letter of Credit is not more than one year after such Letter of Credit’s date of issuance and in no event later than the date that is 30 days prior to the Maturity Date; (iv) such Letter of Credit is to be used for general corporate purposes of Borrowers and is not directly or indirectly used to assure payment of or otherwise support any Debt of any Person or an employment contract; (v) the issuance of such Letter of Credit will be in compliance with all applicable governmental restrictions, policies, and guidelines and will not subject Administrative Agent or LC Issuer to any cost which is not reimbursable under Article III; (vi) the form and terms of such Letter of Credit are reasonably acceptable to Administrative Agent and LC Issuer, (vii) Administrative Agent shall have received such LC Support as Administrative Agent shall have reasonably requested and (viii) all other conditions in this Agreement to the issuance of such Letter of Credit have been satisfied.

(b) Application of UCP or ISP. Each Letter of Credit shall provide for the payment of sight drafts, other written demands for payment or acceptances of drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein. Each standby Letter of Credit and subsequent revision thereof shall be subject either to the Uniform Customs and Practice for Documentary Credits (“UCP”) as most recently published by the International Chamber of Commerce or the International Standby Practices (ISP98 International Chamber of Commerce Publication Number 590).

(c) Effect of Defaulting Lender. In the event there is a Defaulting Lender as of the date of any request for the issuance of a Letter of Credit, the LC Issuer shall not be required to issue or arrange for such Letter of Credit to the extent the LC Issuer has not otherwise entered into arrangements reasonably satisfactory to it to eliminate the LC Issuer’s risk with respect to the participation in such Letter of Credit of the Defaulting Lender, which arrangements may include Borrowers cash collateralizing such Defaulting Lender’s Percentage Share of the LC Obligations in respect of such Letter of Credit in accordance with Section 2.10.

(d) Issuance. Borrowers hereby acknowledge and agree that, notwithstanding anything to the contrary herein, the issuance of any Letter of Credit by an LC Issuer is subject to the approval of such LC Issuer in its sole discretion on a case-by-case basis and that, if such approval is denied, such Letter of Credit will not be issued.

Section 2.7. Requesting Letters of Credit. The applicable Borrower must make written application to the Administrative Agent and LC Issuer for any Letter of Credit (or amendment or

extension of a Letter of Credit) by delivering to Administrative Agent and LC Issuer an executed LC Application and such other documents and instruments as are customarily required by LC Issuer for the issuance of a letter of credit of equivalent type and amount on or prior to 10:00 a.m. Plano time at least three (3) Business Days before the date which such Borrower desires for LC Issuer to issue such Letter of Credit (or such shorter period as may be acceptable to LC Issuer). By making any such written application, Borrowers shall be deemed to have represented and warranted to Administrative Agent and LC Issuer that the LC Conditions described in Section 2.6 will be met as of the date of issuance of such Letter of Credit. Administrative Agent may either issue (in its capacity as LC Issuer) or cause the issuance by another LC Issuer of such Letter of Credit on the third (3rd) Business Day after request by the applicable Borrower therefor (or such later date as requested in such request or such earlier date as may be agreed to by the applicable LC Issuer), so long as the LC Conditions for such Letter of Credit have been met. Borrowers shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with a Borrower's instructions or other irregularity, Borrowers will immediately notify Administrative Agent and LC Issuer. Borrowers hereby authorize and direct the LC Issuer to name the Borrower that requested any Letter of Credit as the "applicant" or "account party" of such Letter of Credit. If Administrative Agent is not the LC Issuer of any Letter of Credit, Borrowers hereby authorize and direct the LC Issuer to deliver to Administrative Agent all instruments, documents, and other writings and property received by the LC Issuer pursuant to such Letter of Credit and to accept and rely upon Administrative Agent's instructions and agreements with respect to all matters arising in connection with such Letter of Credit, the application therefor, or any acceptance therefor.

Section 2.8. Reimbursement and Participations.

(a) Reimbursement. In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, Administrative Agent will promptly notify Borrowers. Each Borrower hereby promises to pay to Administrative Agent, for the benefit of LC Issuer, on demand, the full amount of each Matured LC Obligation (and Administrative Agent shall promptly pay to the applicable LC Issuer any such amounts received by it owing to such LC Issuer); provided that, each drawing under a Letter of Credit shall constitute a request by Borrowers for a Swing Loan (which Swing Loan shall not be subject to the provisions of either (x) Section 2.2(b) regarding the Swing Loan Sublimit if such Swing Loan would cause the Swing Loan Sublimit to be exceeded or (y) Article VI) in the amount of such drawing and Swing Lender shall automatically disburse such Swing Loan in reimbursement to the LC Issuer (i) on the Business Day after such drawing if made prior to 1:00 p.m., Plano time, or (ii) on the second (2nd) Business Day after such drawing if made on or after 1:00 p.m., Plano time. The obligation of Borrowers to reimburse the Administrative Agent for the account of LC Issuer for each Matured LC Obligation shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement (including any LC Application) under all circumstances, including the following: (i) any lack of validity or enforceability of such Letter of Credit or any other agreement or instrument relating thereto; (ii) the existence of any claim, counterclaim, set-off, defense or other right that Borrowers may have at any time against any beneficiary or any such transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), LC Issuer or any other Person, whether in

connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction; (iii) any draft,

demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit; (v) any payment by LC Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or (vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing. Without limiting the generality of the foregoing, it is expressly agreed that the absolute and unconditional nature of Borrowers' obligations under this Section 2.8 to reimburse the LC Issuer for each drawing under a Letter of Credit will not be excused by the gross negligence or willful misconduct of the LC Issuer. However, the foregoing shall not be construed to excuse LC Issuer from liability to Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by Borrowers to the extent permitted by Applicable Law) suffered by Borrowers that are caused by the Administrative Agent's or the LC Issuer's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) in determining whether drafts and the other documents presented under a Letter of Credit comply with the terms thereof. All LC Payment Amounts received by Administrative Agent shall be paid to the applicable LC Issuer in accordance with the terms of this Section 2.8. The Administrative Agent shall indemnify the Borrowers for all LC Payment Amounts that it receives in immediately available funds that are not paid to the applicable LC Issuer in accordance with the terms hereof.

(b) Participation. LC Issuer irrevocably agrees to grant and hereby grants to each Lender, and to induce LC Issuer to issue Letters of Credit hereunder, each Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from LC Issuer, on the terms and conditions hereinafter stated and for such Lender's own account and risk, an undivided interest equal to such Lender's Percentage Share of LC Issuer's obligations and rights under each Letter of Credit issued hereunder and the amount of each Matured LC Obligation paid by LC Issuer thereunder. Each Lender unconditionally and irrevocably agrees that, if a Matured LC Obligation is paid under any Letter of Credit for which an LC Issuer is not reimbursed in full by Borrowers in accordance with the terms of this Agreement and the related LC Application (including any reimbursement by means of concurrent Revolving Loans or by the application of LC Collateral), such Lender shall (in all circumstances and without set-off or counterclaim) pay to Administrative Agent, for the benefit of LC Issuer, on demand, in immediately available funds, such Lender's Percentage Share of such Matured LC Obligation (or any portion thereof which has not been reimbursed by Borrowers), which such amounts shall be deemed to be a Revolving Loan advance hereunder (notwithstanding any failure to satisfy any condition precedent set forth in Section 2.2(b) or Article VI) and shall bear interest at the then applicable rate to Revolving Loans. Each Lender's obligation to pay Administrative Agent pursuant to the terms of this subsection is irrevocable and unconditional.

Section 2.9. No Duty to Inquire.

(a) Release and Indemnity. LC Issuer is authorized and instructed to accept and pay drafts and demands for payment under any Letter of Credit without requiring, and without responsibility for, any determination as to the existence of any event giving rise to said draft,

either at the time of acceptance or payment or thereafter. LC Issuer is under no duty to determine the proper identity of anyone presenting such a draft or making such a demand as the officer,

representative or agent of any beneficiary under any Letter of Credit, and payment by LC Issuer to any such beneficiary when requested by any such purported officer, representative or agent is hereby authorized and approved. To the fullest extent permitted by Applicable Law, each Borrower releases each Indemnified Person from, and agrees to hold each Indemnified Person harmless from and indemnified against, any Indemnified Claims in connection with or arising out of the issuance, acceptance or payment of any Letter of Credit, WHICH INDEMNITY SHALL APPLY WHETHER OR NOT ANY SUCH INDEMNIFIED CLAIM IS IN ANY WAY OR TO ANY EXTENT CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY INDEMNIFIED PERSON; provided however, that that no Indemnified Person shall be entitled to indemnification for that portion, if any, of any claim, demand, action, cause of action, judgment, obligation, liability, loss, damage, penalty, fine, cost, fee, expense, or disbursement which is proximately caused by its own individual gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final non-appealable judgment.

(b) Binding Effect. If the maturity of any Letter of Credit is extended by its terms or by Applicable Law or governmental action, if any extension of the maturity or time for presentation of drafts or any other modification of the terms of any Letter of Credit is made at the request of Borrower Representative, or if the amount of any Letter of Credit is increased at the request of Borrower Representative, this Agreement shall be binding upon each Borrower with respect to such Letter of Credit as so extended, increased or otherwise modified, with respect to drafts and property covered thereby, and with respect to any action taken by LC Issuer, any Lender Party, or any of their correspondents in accordance with such extension, increase or other modification.

(c) Transfers. If any Letter of Credit provides that it is transferable, LC Issuer shall have no duty to determine the proper identity of anyone appearing as transferee of such Letter of Credit, nor shall LC Issuer be charged with responsibility of any nature or character for the validity or correctness of any transfer or successive transfers, and payment by LC Issuer to any purported transferee or transferees as determined by LC Issuer is hereby authorized and approved, and, to the fullest extent permitted by Applicable Law, each Borrower releases each Indemnified Person from, and agrees to hold each Indemnified Person harmless from and indemnified against, any Indemnified Claim in connection with or arising out of the foregoing, WHICH INDEMNITY SHALL APPLY WHETHER OR NOT ANY SUCH INDEMNIFIED CLAIM IS IN ANY WAY OR TO ANY EXTENT CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY ANY INDEMNIFIED PERSON; provided however, that no Indemnified Person shall be entitled to indemnification for that portion, if any, of any claim, demand, action, cause of action, judgment, obligation, liability, loss, damage, penalty, fine, cost, fee, expense, or disbursement which is proximately caused by its own individual gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final non-appealable judgment.

Section 2.10. LC Collateral.

(a) Cash Collateral. If, after the making of all mandatory prepayments required under Section 4.2 and reimbursement of the LC Issuer by the Swing Lender or Administrative Agent, as applicable, pursuant to Section 2.8, the Revolving Exposure would exceed the lesser of

(i) the Borrowing Base and (ii) the Revolving Credit Limit minus any Availability Block, Borrowers will immediately pay to Administrative Agent, for the benefit of LC Issuer and the other Lender Parties, an amount equal to such excess. Administrative Agent will hold such amounts as security for the remaining LC Obligations and other Obligations (all such amounts, and all amounts delivered to Administrative Agent pursuant to this Section 2.10(a) and all Cash Collateral delivered to Administrative Agent as LC Support pursuant to Section 2.6, being herein collectively called “LC Collateral”). LC Collateral may be applied from time to time to any Matured LC Obligations or other Obligations which are due and payable. If the Obligations or any part thereof become immediately due and payable on the Termination Date or otherwise, then all LC Obligations shall become immediately due and payable without regard to whether or not actual drawings or payments on the Letters of Credit have occurred, and, to the extent not already previously delivered as LC Support pursuant to Section 2.6, Borrowers shall be obligated to pay to Administrative Agent, on behalf of LC Issuer and the other Lender Parties, immediately an amount equal to one-hundred and ten percent (110%) of the aggregate LC Obligations which are then outstanding to Cash Collateralize the LC Obligations, which amount shall be held by Administrative Agent as LC Collateral securing the remaining LC Obligations and the other Obligations, and such LC Collateral may be applied from time to time to any Matured LC Obligations or any other Obligations which are due and payable. This Section 2.10(a) shall not limit or impair any rights which Administrative Agent or LC Issuer may have under any other document or agreement relating to any Letter of Credit, LC Collateral or LC Obligation, including any LC Application or any rights which any Lender Party may have to otherwise apply any payments by Borrowers and any LC Collateral hereunder.

(b) Investment of LC Collateral. Pending application thereof, LC Collateral may be invested by Administrative Agent in such investments as Administrative Agent may choose in its Permitted Discretion. All interest on (and other proceeds of) such investments shall be reinvested or applied to Matured LC Obligations or other Obligations which are due and payable. When all Obligations have been satisfied in full, including all LC Obligations, all Letters of Credit have expired or been terminated, and all of Borrower’s reimbursement obligations in connection therewith have been satisfied in full, Administrative Agent shall release any remaining LC Collateral to Borrower Representative. Borrowers hereby assign and grant to Administrative Agent, on behalf of Lender Parties, a continuing security interest in all LC Collateral paid by them to Administrative Agent, all investments purchased with such LC Collateral, and all proceeds thereof to secure the Matured LC Obligations and the Obligations under this Agreement and the other Loan Documents, and Borrowers agree that such LC Collateral, investments and proceeds shall be subject to all of the terms and conditions of the Loan Documents. Borrowers further agree that LC Issuer shall have all of the rights and remedies of a secured party under the UCC with respect to such security interest and that an Event of Default under this Agreement shall constitute a default for purposes of such security interest.

(c) When Borrowers are required to provide LC Collateral for any reason and fail to do so on the day when required, Administrative Agent may, without prior notice to any Borrower or any other Credit Party, provide such LC Collateral (whether by application of proceeds of other Collateral or otherwise) using any available funds of Borrowers or any other Person also liable to make such payments. Any such amounts which are required to be provided as LC Collateral and which are not provided on the date required shall, for purposes of each

Loan Document, be considered past due Obligations owing hereunder, and Administrative Agent is

hereby authorized to exercise its respective rights hereunder and under the other Loan Documents to obtain such amounts.

Section 2.11. Third Party Beneficiary. The parties hereto hereby agree that regardless of whether any LC Issuer is a signatory to this Agreement, the terms and provisions of this Agreement relating to the LC Issuer and any Letters of Credit issued by such LC Issuer (and any security therefor) are and shall be for the benefit of such LC Issuer as a third party beneficiary hereof.

Section 2.12. Cross Guaranty.

(a) Guaranty. Each Borrower (each referred to in this Section individually as a “Co-Borrower” and collectively, as the “Co-Borrowers”) hereby agrees that it is liable for, and hereby irrevocably, absolutely and unconditionally guarantees to Administrative Agent (for the benefit of the Lender Parties) and to the Lender Parties the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations and other amounts owed or hereafter owing to the Lender Parties under this Agreement and the other Loan Documents by the other Co-Borrowers. Each Co-Borrower agrees that its guaranty obligation hereunder is a continuing guaranty of payment and performance and not of collection, that its obligations under this Section shall not be discharged until indefeasible payment and performance, in full, of the Obligations and other amounts owed or hereafter owing under this Agreement has occurred, and that its obligations under this Section shall be absolute and unconditional, irrespective of, and unaffected by:

(i) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement or any other Loan Document;

(ii) the absence of any action to enforce this Agreement (including this Section) or any other Loan Document or the waiver or consent by Administrative Agent or the other Lender Parties with respect to any of the provisions hereof or thereof;

(iii) the existence, value or condition of, or failure to perfect its security interest in or lien against, any security for the Obligations or any action, or the absence of any action, by Administrative Agent in respect thereof (including the release of any such security);

(iv) the insolvency of any Co-Borrower; or

(v) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, other than defenses arising from payment in full of the Obligations.

Each Co-Borrower shall be regarded, and shall be in the same position, as principal debtor with respect to the Obligations and other amounts guaranteed hereunder.

(b) Waivers. Each Co-Borrower expressly waives, to the fullest extent permitted by Applicable Law, all rights it may have now or in the future under any statute, or at common

law, or at law or in equity, or otherwise, to subrogation, to compel Administrative Agent or any other Lender Party to marshal assets or to proceed in respect of the Obligations and other

amounts guaranteed hereunder against any other Co-Borrower, any other party or against any security for the payment and performance of the Obligations and other amounts before proceeding against, or as a condition to proceeding against, such Co-Borrower.

(c) Benefit of Guaranty. Each Co-Borrower agrees that the provisions of this Section are for the benefit of each Lender Party and its successors, transferees, endorsees and assigns.

(d) Election of Remedies. If Administrative Agent (on behalf of the Lender Parties), under Applicable Law, proceeds to realize its benefits under any of the Loan Documents giving Administrative Agent a security interest in or lien upon any Collateral, whether owned by any Co-Borrower or by any Guarantor, either by judicial foreclosure or by non judicial sale or enforcement, Administrative Agent may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of the rights and remedies under this Section. If, in the exercise of any of its rights and remedies, Administrative Agent shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Co-Borrower or any other Guarantor, whether because of any applicable laws pertaining to “election of remedies” or the like, each Co-Borrower hereby consents to such action by Administrative Agent and waives any defense to the Administrative Agent’s enforcement of remedies based upon such action, to the fullest extent permitted by Applicable Law. Any election of remedies that results in the denial or impairment of the right of Administrative Agent to seek a deficiency judgment against any Co-Borrower shall not impair any other Co-Borrower’s obligation to pay the full amount of the Obligations and other amounts owed or hereafter owing under this Agreement.

(e) Liability Cumulative. The liability of Co-Borrowers under this Section is in addition to and shall be cumulative with all liabilities of each Co-Borrower to Administrative Agent and the other Lender Party under this Agreement and other Loan Documents to which such Co-Borrower is a party or in respect of any Obligations or obligation of the other Co-Borrowers, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

(f) Limitation of Liability. Notwithstanding anything in this Section to the contrary, the liability of each Co-Borrower as a Guarantor hereunder shall, to the fullest extent permitted by Applicable Law, be limited to the maximum amount of liability that can be incurred without rendering such Person’s guaranty hereunder voidable under Applicable Law relating to fraudulent transfer or fraudulent conveyance, and not for any greater amount.

Section 2.13. Interest Rate Provisions.

(a) Special Provisions Applicable to Term SOFR.

(i) Term SOFR may be adjusted by Administrative Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender (other than Taxes which shall be governed by Section 3.3), in each case, due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, or pursuant to any Change in Law or change in the reserve requirements imposed by the Board of Governors, which additional or increased costs



would increase the cost of funding or maintaining loans bearing interest at Term SOFR. In any such event, the affected Lender shall give Borrower and Administrative Agent notice of such a determination and adjustment and Administrative Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrower may, by notice to such affected Lender (A) require such Lender to furnish to Borrower a statement setting forth in reasonable detail the basis for adjusting Term SOFR and the method for determining the amount of such adjustment, or (B) repay the SOFR Loans or Base Rate Loans determined with reference to Term SOFR, in each case, of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.13).

(ii) Subject to the provisions set forth in Section 2.13(a)(iii), (x) in the event that any change in market conditions or any Change in Law shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain SOFR Loans (or Base Rate Loans determined with reference to Term SOFR) or to continue such funding or maintaining, or to determine or charge interest rates at the Term SOFR Reference Rate, Term SOFR or SOFR, such Lender shall give notice of such changed circumstances to Administrative Agent and Borrower Representative and Administrative Agent promptly shall transmit the notice to each other Lender and (y)(i) in the case of any SOFR Loans of such Lender that are outstanding, such SOFR Loans of such Lender will be deemed to have been converted to Base Rate Loans on the last day of the Interest Period of such SOFR Loans, if such Lender may lawfully continue to maintain such SOFR Loans, or immediately, if such Lender may not lawfully continue to maintain such SOFR Loans, and thereafter interest upon the SOFR Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans (and if applicable, without reference to the Term SOFR component thereof) and (ii) in the case of any such Base Rate Loans of such Lender that are outstanding and that are determined with reference to Term SOFR, interest upon the Base Rate Loans of such Lender after the date specified in such Lender's notice shall accrue interest at the rate then applicable to Base Rate Loans without reference to the Term SOFR component thereof in each case, until such Lender determines that it would no longer be unlawful or impractical to do so.

(iii) Benchmark Replacement Setting.

(A) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, Administrative Agent and Borrower Representative may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after Administrative Agent has posted such proposed amendment to all affected Lenders and Borrower so long as Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a

Benchmark Replacement pursuant to this Section 2.13(a)(iii) will occur prior to the applicable Benchmark Transition Start Date.

(B) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption, or implementation of a Benchmark Replacement, Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(C) Notices; Standards for Decisions and Determinations. Administrative Agent will promptly notify Borrower and the Lenders of (1) the implementation of any Benchmark Replacement, and (2) the effectiveness of any Conforming Changes in connection with the use, administration, adoption, or implementation of a Benchmark Replacement. Administrative Agent will notify Borrower of the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.13(a)(iii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their Permitted Discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.13(a)(iii).

(D) Benchmark Unavailability Period. Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period,

(1) Borrower may revoke any pending request for a borrowing of SOFR Loans to be made during any Benchmark Unavailability Period and, failing that, Borrower will be deemed to have converted any such request into a request for a borrowing of Base Rate Loans, and (2) any outstanding affected SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period, the component of the Base Rate based upon the then-current Benchmark, as applicable, will not be used in any determination of the Base Rate.

(b) No Requirement of Matched Funding. Anything to the contrary contained herein notwithstanding, neither Administrative Agent, nor any Lender, nor any of their participants with respect to any Loan, is required actually to match fund any Obligation as to which interest accrues at Term SOFR or the Term SOFR Reference Rate.

#### Section 2.14. Incremental Commitments.

(a) The Borrowers may, from time to time, by written notice to the Administrative Agent, request additional Commitments to increase the Total Facility Amount (collectively, "Incremental Commitments"), from one or more Lenders (in the sole discretion of such Lenders), in an aggregate principal amount of up to \$10,000,000; provided that at the time

of the incurrence of such Incremental Commitments and immediately after giving effect thereto and

to the use of the proceeds thereof, no Default or Event of Default shall have occurred and be continuing or would result therefrom; provided, further, that (1) if any Person proposed to provide such Incremental Commitments is not already a Lender, such Person shall be subject to the approval of the Administrative Agent in its sole discretion and who, upon the establishment of an Incremental Commitment shall, subject to the terms and conditions of this Agreement, become a Lender hereunder, (2) the Borrowers may make only two (2) such requests, and (3) the Incremental Commitments shall not be applied to increase either the Term Loan or Term Cap Ex Commitment. Such notice shall set forth (i) the amount of the Incremental Commitments being requested (which shall be in a minimum amount of \$5,000,000), and (ii) the date on which such Incremental Commitments are requested to become effective (which shall not be less than ten (10) Business Days nor more than sixty (60) calendar days after the date of such notice, unless otherwise agreed to by the Administrative Agent). Nothing contained in this Section shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder at any time. Any such increase shall be at the sole discretion of the Lender(s) being requested to provide an Incremental Commitment.

(b) The terms of each Incremental Commitment shall be reasonably satisfactory to the Administrative Agent and in any event:

(i) shall rank *pari passu* in right of payment and of security with the existing Loans; and

(ii) all material terms of any Incremental Commitments and the additional Revolving Loans available under such Incremental Commitments as a result of the corresponding increase to the Total Facility Amount and the Revolving Credit Limit shall be identical to the existing Commitments and Revolving Loans, with an additional closing fee required upon each Incremental Commitment which shall be calculated at one percent (1.00%) of the amount of such Incremental Commitment.

(c) No additional Commitments shall become effective under this Section 2.14 unless, on the date of such effectiveness, (i) the conditions set forth in paragraphs (a) and (b) of Section 6.3 shall be satisfied as if it was a borrowing date and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Responsible Officer of the Borrower; and (ii) the Administrative Agent shall have received closing certificates, opinions of counsel and other customary documentation requested by the Administrative Agent.

(d) Each of the parties hereto hereby agrees that the Administrative Agent may take any and all action as may be reasonably necessary to ensure that, following the establishment of any additional Commitments, the Total Facility Amount is held by the Lenders in accordance with their new Percentage Shares. This may be accomplished at the discretion of the Administrative Agent by requiring a prepayment and reborrowing of Loans.

### **ARTICLE III** **INTEREST, FEES, REIMBURSEMENTS**

Section 3.1. Interest.



(a) Except as otherwise provided herein, all outstanding Loans shall bear interest at a per annum rate equal to the lesser of (1) Term SOFR plus the Applicable Margin and (2) the Maximum Rate; provided, that following notice to Borrower Representative in accordance with Section 2.13(a)(ii) hereof, all Obligations that have been charged to the Borrowers pursuant to the terms hereof (except for undrawn Letters of Credit) shall bear interest at a per annum rate equal to the lesser of (A) the Base Rate plus the Applicable Margin or (B) the Maximum Rate. For avoidance of doubt, Borrower does not have the right to convert Loans to Base Rate Loans, and Base Rate Loans will be made only in the circumstances specified in Section 2.13(a)(ii).

(b) At any time when any Default or Event of Default has occurred and is continuing, at the option of the Administrative Agent or the Required Lenders, effective as of the date on which such Default or Event of Default occurred and continuing for so long as any such Default or Event of Default is continuing, all Loans and other Obligations shall bear interest at a rate per annum equal to the Default Rate applicable thereto and the fee rate applicable to Letters of Credit shall be increased to the Default Rate.

(c) Subject to Section 3.6, interest shall be computed on the basis of a year of 360 days and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365 day year).

(d) In connection with the use or administration of Term SOFR, Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Administrative Agent will promptly notify Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

### Section 3.2. Fees.

(a) Closing Fee. Borrowers agree to pay to Administrative Agent, for the benefit of Lenders, a closing fee in the amount of \$470,000 (the "Closing Fee") on the Agreement Date.

(b) Unused Line Fee. Borrowers agree to pay to Administrative Agent, for the account of each Lender in accordance with its Percentage Share, an unused line fee determined on a daily basis, payable on the first day of each calendar month, in an amount equal to 0.50% per annum multiplied by such Lender's Percentage Share of the amount by which the Total Facility Amount exceeded the sum of the daily outstanding balance of the Loans each day during the immediately preceding calendar month (or, in each case, for a shorter period if calculated on the Termination Date and prorated for a partial calendar month). Such fee shall be computed on the basis of a 360-day year for the actual number of days elapsed. All payments on the Revolving Loans received by Administrative Agent shall be deemed to be credited to the Revolving Loans immediately upon receipt for purposes of calculating the amount payable pursuant to this Section 3.2(b).

(c) Letter of Credit Fees.



(i) In consideration of Administrative Agent's commitment to issue Letters of Credit and each Lender's agreement to purchase a risk participation in each Letter of Credit issued by any LC Issuer, Borrowers will pay to Administrative Agent: (x) for the account of Administrative Agent, a letter of credit fronting fee, determined on a daily basis, in an amount equal to the applicable interest rate for Revolving Loans consisting of SOFR Loans multiplied by the Maximum Drawing Amount for all outstanding Letters of Credit. Such letter of credit fees shall be due and payable monthly in arrears on the first day of each month and on the Termination Date (and shall be prorated for any partial calendar month).

(ii) Borrowers will pay to Administrative Agent, for the account of such LC Issuer, all customary fees and expenses of such LC Issuer for and relating to the issuance, amendment and drawing of each such Letter of Credit. For the avoidance of doubt, this paragraph is subject to the provisions of Section 2.8.

(d) Collateral Monitoring Fee. Borrowers shall pay to Administrative Agent, for the account of Administrative Agent, a monthly collateral monitoring fee in the amount of \$3,000 for each calendar month, or portion thereof, during the term of this Agreement. The collateral monitoring fee for each calendar month shall be due and payable in arrears on the first day of each calendar month and on the Termination Date, and shall be prorated for any partial calendar month.

(e) General. Except as expressly provided herein, all fees charged under this Agreement shall be fully earned on the date such fees are due and payable, and once paid, shall not be subject to rebate, refund, or proration for any reason.

### Section 3.3. Increased Costs and Reduced Return.

(a) Increased Costs. If any Change in Law shall (i) subject any Recipient to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (iii) Connection Income Taxes) on any Loan, Loan principal, Letters of Credit, the Commitments or other obligations or its deposits, reserves, other liabilities or capital attributable thereto, (ii) impose or modify any reserve, special deposit, compulsory loan, insurance charge, assessment or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Recipient (except any reserve requirement reflected in Term SOFR) or (iii) impose on any Recipient any condition, cost or expense (other than Taxes) affecting this Agreement, any Letter of Credit or any extensions of credit or commitments hereunder, and the result of any of the foregoing is to increase the cost to such Recipient of making, converting to, continuing or maintaining any Loans (or of maintaining its obligation to make any Loan), to increase the cost to such Recipient of issuing or maintaining any Letter of Credit (or of maintaining the obligation to participate in or issue any Letter of Credit) or to reduce any amount received or receivable by such Recipient under this Agreement (whether of principal, interest or any other amount), then upon written demand by such Recipient (with a copy to Administrative Agent and which demand shall be delivered to Borrower Representative and accompanied by a statement setting forth the basis for such demand and

calculation of the amount thereof in reasonable detail), Borrowers shall promptly pay to such Recipient such amount or

amounts as will compensate such Recipient for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Recipient determines that any Change in Law affecting such Recipient, any lending office of such Recipient or such Recipient's holding company regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Recipient's capital or on the capital of such Recipient's holding company as a consequence of this Agreement, the Commitment of, the Loans made by, or the Letters of Credit issued by such Recipient, to a level below that which such Recipient or such Recipient's holding company could have achieved but for such Change in Law (taking into consideration such Recipient's policies and the policies of such Recipient's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Recipient such additional amount or amounts as will compensate such Recipient or such Recipient's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. Demand of any Recipient setting forth the amount or amounts necessary to compensate such Recipient or its holding company, as the case may be, as specified in clauses (a) or (b) of this Section and delivered to the Borrower Representative shall be conclusive absent manifest error. The Borrowers shall pay the applicable Recipient the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Recipient's right to demand such compensation; provided that, the Borrowers shall not be required to compensate any Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Recipient notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions, and of such Recipient's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs and/or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.4. Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for Lenders, Swing Lender or their applicable lending office to make, maintain or fund Loans hereunder, then Administrative Agent shall promptly notify Borrower Representative thereof and Lenders' and Swing Lender's obligation to make Loans shall be suspended until such time as Lenders and Swing Lender may again make, maintain and fund Loans.

Section 3.5. Taxes.

(a) Indemnified Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made free and clear of, and without deduction or withholding for, any present or future Indemnified Taxes, except as required by Applicable Law (which, for purposes of this Section 3.5, includes FATCA). If any Applicable Law requires the deduction or withholding of any Indemnified Tax from any payment by any

Credit Party, then Credit Parties agree: (i) to timely pay the full amount of such Indemnified Taxes

to the relevant Governmental Authority in accordance with Applicable Law and (ii) that the sum payable by Credit Parties shall be increased as necessary so that after such deduction or withholding has been made (including deductions and withholdings applicable to additional sums payable under this Section 3.5(a)), the applicable Recipient receives an amount equal to the sum it would have received had no such deductions or withholdings been made. Without duplication of any other obligation set forth in this Section 3.5 or in Section 3.3, the Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes. As soon as practicable after any payment of Taxes by the Credit Parties to a Governmental Authority pursuant to this Section 3.5, the Credit Parties shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(b) Indemnification by Credit Parties. Each Credit Party hereby agrees to indemnify, to the fullest extent permitted by Applicable Law, each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.5) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto (including, without limitation, reasonable attorneys' fees incurred in connection therewith), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower Representative by a Recipient (with a copy to the Administrative Agent if such Recipient is not Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of another Recipient, shall be conclusive absent manifest error.

(c) Recipient Indemnity. Each Recipient (other than Administrative Agent) shall severally indemnify, to the fullest extent permitted by Applicable Law, the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Recipient (but only to the extent that the Credit Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so) and (ii) any Excluded Taxes attributable to such Recipient, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto (including, without limitation, reasonable attorneys' fees incurred in connection therewith), whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any such Recipient by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 3.5(c).

(d) Exemptions. If a Recipient is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, such Recipient agrees with and in favor of Credit Parties and Administrative Agent to deliver to the Borrower

Representative and the Administrative Agent one of the following before receiving its first payment under this Agreement:

(i) if such Recipient is a U.S. Person, executed copies of IRS Form W-9 certifying that such Recipient is exempt from U.S. federal backup withholding tax;

(ii) if such Recipient is a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(iii) if such Recipient is a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed copies of IRS Form W-8ECI;

(iv) if such Recipient is a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) a certificate substantially in the form of Exhibit A-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the IRC, a “10 percent shareholder” of any Borrower within the meaning of Section 881(c)(3)(B) of the IRC, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the IRC (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(v) if such Recipient is a Foreign Lender that is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit A-2 or Exhibit A-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided, that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit A-4 on behalf of each such direct and indirect partner.

(e) Foreign Lenders. Any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies as shall be requested by the relevant recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower Representative or the Administrative Agent), executed

copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such

supplementary documentation as may be prescribed by Applicable Law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made.

(f) FATCA Withholding. If a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Recipient shall deliver to the Borrower Representative and the Administrative Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower Representative or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Borrower Representative or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.5(f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) Update of Forms and Certifications. Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower Representative and the Administrative Agent in writing of its legal inability to do so.

(h) Refunds. If any Recipient determines, in its Permitted Discretion, that it has received a refund of any Indemnified Taxes that were paid by Credit Parties pursuant to this Section 3.5, so long as no Event of Default has occurred and is continuing, it shall pay an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.5 with respect to the Indemnified Taxes giving rise to such refund) to Credit Parties, net of all out-of-pocket expenses (including Taxes) of such Recipient and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that Credit Parties, upon request of such Recipient, agree to repay the amount paid to Credit Parties (plus any penalties, interest or other charges imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct or gross negligence of Recipients hereunder) to such Recipient in the event such Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.5(h), in no event will any Recipient be required to pay any amount to Credit Parties pursuant to this Section 3.5(h) if such payment would place such Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Indemnified Tax giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Credit Parties or any other Person.

(i) Survival of Obligations. Each party's obligations under this Section 3.5 shall survive the resignation or replacement of the Administrative Agent or any assignment of



rights by, or the replacement of, a Recipient, the termination of the Commitments and the repayment, satisfaction or discharge of all Obligations under any Loan Document.

Section 3.6. Maximum Interest; Controlling Limitation.

(a) Maximum Interest. If the rate of interest on the Obligations, absent the limitations set forth in this Section 3.6, would at any time exceed the Maximum Rate, then the actual rate of interest shall be the Maximum Rate, and, if in the future, the interest rate would otherwise be less than the Maximum Rate, then the interest rate shall remain at the Maximum Rate until such time as the amount of interest paid hereunder equals the amount of interest which would have been paid if the same had not been limited by the Maximum Rate. In the event that, upon payment in full of the Obligations, the total amount of interest paid or accrued under the terms of this Agreement is less than the total amount of interest which would, but for this Section 3.6, have been paid or accrued if the interest rate otherwise provided by this Agreement had at all times been in effect, then Borrowers shall, to the fullest extent permitted by Applicable Law, pay to Administrative Agent an amount equal to (a) the lesser of (i) the amount of interest which would have been paid or accrued if the Maximum Rate had, at all times, been in effect and (ii) the amount of interest which would have been paid or accrued had the interest rate otherwise set forth in this Agreement, at all times, been in effect, less (b) the amount of interest actually paid or accrued under this Agreement.

(b) Controlling Limitation. Each Lender Party, each Borrower and each other Credit Party hereby acknowledge, agree, and declare that it is its intention to expressly comply with all Applicable Laws in respect of limitations on the amount or rate of interest that can legally be contracted for, charged or received under or in connection with the Loan Documents. Notwithstanding anything to the contrary contained in any Loan Document (even if any such provision expressly declares that it controls all other provisions of the Loan Documents), in no contingency or event whatsoever shall the amount of interest (including the aggregate of all charges, fees, benefits, or other compensation which constitutes interest under any Applicable Law) under the Loan Documents paid by Borrowers or any other Credit Party, received by any Lender Party, agreed to be paid by Borrowers or any other Credit Party, or requested or demanded to be paid by any Lender Party exceed the Maximum Rate, and all provisions of the Loan Documents in respect of the contracting for, charging, or receiving compensation for the use, forbearance, or detention of money shall be limited as provided by this Section 3.6. In the event any such interest is paid to any Lender Party by Borrowers or any other Credit Party in an amount or at a rate which would exceed the Maximum Rate, such Lender Party then, notwithstanding any entry on Administrative Agent's or any other Lender Party's books otherwise, such excess shall conclusively be deemed to be automatically applied to any unpaid amount of the Obligations other than interest, in inverse order of maturity, or if the amount of such excess exceeds said unpaid amount, such excess shall be refunded to Borrowers or such other applicable Credit Party. All interest paid, or agreed to be paid, by Borrowers or any other Credit Party, or taken, reserved, or received by any Lender Party shall be amortized, prorated, spread, and allocated in respect of the Obligations throughout the full term of this Agreement. Notwithstanding any provision contained in any of the Loan Documents, or in any other related documents executed pursuant hereto, no Lender Party shall ever be entitled to charge, receive, take, reserve, collect, or apply as interest any amount which, together with all other interest under

the Loan Documents, would result in a rate of interest under the Loan Documents in excess of the Maximum Rate and, in the event any Lender

Party ever charges, receives, takes, reserves, collects, or applies any amount in respect of Borrowers or any other Credit Party that otherwise would, together with all other interest under the Loan Documents, be in excess of the Maximum Rate, such amount shall automatically be deemed to be applied in reduction of the unpaid principal balance of the Obligations other than interest and, if the principal balance thereof is paid in full, any remaining excess shall forthwith be refunded to the Borrowers or such other applicable Credit Party. Each Credit Party and each Lender Party shall, to the maximum extent permitted under any Applicable Law, (i) characterize any non-principal payment as a standby fee, commitment fee, prepayment charge, delinquency charge, expense, or reimbursement for a third-party expense rather than as interest and (ii) exclude prepayments, acceleration, and the effect thereof. Nothing in any Loan Document shall be construed or so operate as to require or obligate Borrowers or any other Credit Party to pay any interest, fees, costs, or charges greater than is permitted by any Applicable Law. Subject to the foregoing, each Credit Party hereby agrees that the actual effective rate of interest from time to time existing under the Loan Documents, including all amounts agreed to by the Credit Parties pursuant to and in accordance with the Loan Documents which may be deemed to be interest under any Applicable Law, shall be deemed to be a rate which is agreed to and stipulated by the Credit Parties and the Lender Parties in accordance with Applicable Law.

#### **ARTICLE IV PAYMENT**

Section 4.1. Interest. Accrued interest on the Loans shall be due and payable in arrears on the first calendar day of each calendar month and on the Termination Date.

Section 4.2. Voluntary Prepayment . Subject to payment of the Early Termination Fee (if applicable) payable pursuant to Section 4.5 and any amounts payable pursuant to Section 14.5, Borrowers may terminate the Commitments and prepay Loans at any time, in whole or in part, without premium or penalty following irrevocable written notice given to Administrative Agent at least thirty (30) days prior to the proposed date of such prepayment. Any voluntary prepayment under this Section 4.2 shall be applied to the Obligations in accordance with Section 4.7.

Section 4.3. Mandatory Principal Payments: Payment on the Termination Date.

(a) Beginning on the first (1<sup>st</sup>) Installment Payment Date after a Term Cap Ex Loan Advance is made and continuing on each Installment Payment Date thereafter until the Installment Payment Date following the next Term Cap Ex Loan Advance (each a "Principal Payment Adjustment Date"), Borrowers promise to pay to Administrative Agent, for the account of Lenders, the principal of the Term Cap Ex Loan in installments equal to 1/60<sup>th</sup> of the Term Cap Ex Loan on such first (1<sup>st</sup>) Installment Payment Date. On each Principal Payment Adjustment Date, the principal of the Term Cap Ex Loan shall be re-amortized and the Borrowers promise to pay to Administrative Agent, for the account of Lenders, a principal payment on such Principal Payment Adjustment Date and each Installment Payment Date thereafter equal to 1/60<sup>th</sup> of the outstanding principal of the Term Cap Ex Loan on such Principal Payment Adjustment Date.

(b) Beginning on the first (1<sup>st</sup>) Installment Payment Date after the Agreement Date and continuing on each Installment Payment Date thereafter, Borrowers promise to pay to

Administrative Agent, for the account of Lenders, the principal of the Term Loan in installments equal to \$164,133.33 each.

(c) On the Termination Date, (a) Borrowers shall pay to Administrative Agent, for the account of Swing Lender, in full the outstanding principal balance of the Swing Loans plus all unpaid accrued interest thereon; (b) Borrowers shall pay to Administrative Agent, for the account of each Lender, in full the outstanding principal balance, if any, of the Loans plus all unpaid accrued interest thereon; (c) Borrowers shall pay to Administrative Agent, for the account of Lenders, the Early Termination Fee; and (d) Borrowers shall pay to Administrative Agent, for the account of Lender Parties, all unpaid Lender Expenses and all other Obligations payable under the Loan Documents, including any required Cash Collateral.

Section 4.4. Mandatory Prepayment in Respect of Certain Events.

(a) Overadvances of Revolving Loans. In the event that at any time Availability is less than zero, the Borrowers shall immediately (and in any event within one (1) Business Day) prepay the outstanding balance of the Revolving Loans to cause Availability to equal at least zero.

(b) Additional Mandatory Prepayment Events. All proceeds or other payments received by any Credit Party in respect of a Distribution (other than a Tax Distribution) or a Prepayment Event shall be promptly paid to Administrative Agent (including by deposit into the Collection Account), for the account of Lender Parties, for application to the Obligations in accordance with Section 4.7.

(c) Re-Margining of Term Cap Ex Loan and Term Loan. At any time that the combined outstanding principal amount of the Term Loan and the Term Cap Ex Loan exceeds eighty-five percent (85%) of the Net Amount of all Eligible Equipment, Borrowers promise to prepay, on demand, the outstanding principal amount of the Term Loan by the amount of such excess.

(d) Co-Terminus Loans. If the credit facility for Revolving Loans hereunder is terminated for any reason, Borrower shall immediately pay to Administrative Agent, for the account of each Lender, all Obligations in full, including the outstanding Term Cap Ex Loan (plus, for the avoidance of doubt, all unpaid accrued interest thereon) and the outstanding Term Loan (plus, for the avoidance of doubt, all unpaid accrued interest thereon).

Section 4.5. Early Termination; Prepayment Penalty. Each Borrower may at any time prepay in full the Obligations and terminate the Commitment of Lenders to make Loans hereunder. Each Borrower acknowledges that occurrence of the Termination Date and prepayment of all outstanding Obligations prior to the last day of the eighth full calendar month following the second anniversary of the Agreement Date would result in the loss by Lenders of benefits under this Agreement and that the damages incurred by Lenders as a result thereof would be difficult and impractical to ascertain. Subject to the terms of this Agreement, if for any reason the Termination Date occurs on any date prior to the last day of the eighth full calendar month following the second anniversary of the Agreement Date (including by reason of the acceleration

of the maturity of the Obligations following the occurrence of an Event of Default (including the automatic acceleration

of the Maturity Date upon the occurrence of an insolvency event)), Borrowers shall pay to Administrative Agent, for the account of Lenders in accordance with their respective Percentage Shares, in addition to all other amounts payable under the Loan Documents, an early termination fee (the “Early Termination Fee”), calculated as of the Termination Date, equal to the product of

(a) the Total Facility Amount multiplied by (b) the following percentage, as applicable: (i) if the Termination Date occurs during the period from the Agreement Date through the day preceding the date that is the first anniversary of the Agreement Date, 3.0%, (ii) if the Termination Date occurs during the period from and including the date that is the first anniversary of the Agreement Date through the day preceding the date that is the second anniversary of the Agreement Date, 1.0%, or (iii) if the Termination Date occurs during the period from and including the date that is the second anniversary of the Agreement Date through the last day of the eighth full calendar month following the second anniversary of the Agreement Date, 0.5%, which amount Borrower and Lenders each acknowledges to be the best estimate of the amount necessary to fairly and reasonably compensate Lenders for their loss resulting from occurrence of the Termination Date and prepayment of all outstanding Loans prior to the last day of the eighth full calendar month following the second anniversary of the Agreement Date.

Section 4.6. General Payment Provisions. All payments to be made by Borrowers under the Loan Documents shall be made without set-off, recoupment, or counterclaim. Except as otherwise expressly provided herein, all payments by Borrowers shall be made in Dollars and in immediately available funds to Administrative Agent, for the account of Lenders, at its address set forth in Section 14.6 or to the Administrative Agent Account no later than 2:00 p.m. on the date specified herein. Any payment received by Administrative Agent later than 2:00 p.m. shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue. Whenever any payment is due on a day other than a Business Day, such payment shall be due on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be. All prepayments with respect to the Term Cap Ex Loan and the Term Loan, including those made pursuant to Section 4.4, shall be applied to the principal installments of the Term Cap Ex Loan and the Term Loan, as specified herein, in the inverse order of maturity including the payment due upon the Maturity Date.

Section 4.7. Application. All payments not relating to amounts due on Loans (including interest) or specific fees, and all proceeds of Accounts or other Collateral received and applied by Administrative Agent during any time when no Event of Default has occurred and is continuing, shall be applied ratably as follows:

(a) With respect to proceeds of any Term Cap Ex Loan Primary Collateral, first, to pay to Administrative Agent and/or Lenders any Lender Expenses then due; second, to interest due and payable on the Term Cap Ex Loan; third, to interest due and payable on any outstanding Swing Loans; fourth, on a pro rata basis, to interest due and payable on the Term Loan and the Revolving Loans; fifth, to the principal amount of the Term Cap Ex Loan, sixth, on a pro rata basis, to principal of the Swing Loans and any unreimbursed Matured LC Obligations; seventh, on a pro rata basis, to principal of the Revolving Loans and to the principal amount of the Term Loan; eighth, to the payment of any other Obligations, in such manner and order as

Administrative Agent determines in its discretion; and ninth, to the Borrowers by deposit in the Designated Account.

(b) With respect to proceeds of any other Equipment or Machinery of the Credit Parties, including all Term Loan Primary Collateral, first, to pay to Administrative Agent and/or Lenders any Lender Expenses then due; second, to interest due and payable on the Term Loan; third, to interest due and payable on any outstanding Swing Loans; fourth, on a pro rata basis, to interest due and payable on the Term Cap Ex Loan and the Revolving Loans; fifth, to the principal amount of the Term Loan, sixth, on a pro rata basis, to principal of the Swing Loans and any unreimbursed Matured LC Obligations; seventh, on a pro rata basis, to principal of the Revolving Loans and to the principal amount of the Term Cap Ex Loan; eighth, to the payment of any other Obligations, in such manner and order as Administrative Agent determines in its discretion; and ninth, to the Borrowers by deposit in the Designated Account.

(c) With respect to proceeds of any other Collateral or with respect to any Cure Amount, first, to pay to Administrative Agent and/or Lenders any Lender Expenses then due; second, to interest due and payable on any outstanding Swing Loans; third, to interest due and payable on the Revolving Loans; fourth, on a pro rata basis, to interest due and payable on the Term Cap Ex Loan and the Term Loan; fifth, on a pro rata basis, to principal of the Swing Loans and any unreimbursed Matured LC Obligations; sixth, to principal of the Revolving Loans; seventh, on a pro rata basis, to the principal amount of the Term Cap Ex Loan and the Term Loan; eighth, to the payment of any other outstanding Obligations, in such manner and order as Administrative Agent determines in its discretion; and ninth, to the Borrowers by deposit in the Designated Account.

(d) At any time that an Event of Default has occurred and is continuing, all payments and collections received by Administrative Agent and all proceeds of Collateral, shall be applied, first, to pay to Administrative Agent and/or Lenders any Lender Expenses then due; second, to interest due and payable on any outstanding Swing Loans; third, to interest due and payable in respect of the remaining Obligations; fourth, on a pro rata basis, to pay principal of the Loans (including the Swing Loans) and to fund LC Collateral, in such manner and order as Administrative Agent determines in its discretion; and fifth to the payment of any other Obligations, in such manner and order as Administrative Agent determines in its discretion. Administrative Agent shall have the continuing right, to the fullest extent permitted by Applicable Law, to apply and reverse and reapply any application, subject to the terms of this Agreement.

Section 4.8. Reinstatement. If after receipt and application of any payment or proceeds any such application is invalidated, set aside, determined to be void or voidable for any reason, then the Obligations or part thereof intended to be satisfied by such application shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by Administrative Agent and the Borrowers shall be liable to pay to Administrative Agent, for the account of Lenders, and each Borrower hereby does indemnify Lenders and Administrative Agent and defend and hold Lenders and Administrative Agent harmless in, an amount equal to the amount of such application. The provisions of this Section 4.8 shall survive the termination of this Agreement.

Section 4.9. Account Statement. Administrative Agent will provide to Borrower Representative a monthly statement of all Loans, payments thereon, and other transactions

pursuant to this Agreement. Such statement shall be deemed correct, accurate, and binding on Borrowers and an account stated, subject to reversals and reapplications made as provided in Section 4.8 and

corrections of errors discovered by Administrative Agent, unless Borrower Representative notifies Administrative Agent in writing to the contrary within sixty (60) days after such statement is rendered. In the event a timely written notice of objections is given by Borrower Representative, only the items to which exception is expressly made will be considered to be disputed.

#### **ARTICLE V COLLATERAL**

Section 5.1. Security Interest. Each Credit Party hereby pledges, assigns to and grants to Administrative Agent, for the benefit of the Lender Parties, as security for the payment and performance of such Credit Party's Obligations, a continuing security interest, lien and collateral assignment in all of such Credit Party's right, title and interest in and to all of the following, in each case both now owned and hereafter acquired by such Credit Party: all Accounts, Inventory, Equipment, other goods, Machinery, fixtures, General Intangibles, Payment Intangibles, Chattel Paper, Letter of Credit Rights, Supporting Obligations, Proprietary Rights, Instruments, promissory notes, Documents and documents of title, Investment Property, Deposit Accounts, Securities Accounts, Commercial Tort Claims, money, cash, cash equivalents, securities and other personal property of any kind (whether held directly or indirectly by such Credit Party), all books and records, whether in tangible or intangible form, all other assets, if any, and all accessions to, substitutions for and replacements, products and proceeds (including all "proceeds" as defined in Section 9.102 of the UCC and, including all dividends, distributions and other income from such Credit Party's Collateral, collections thereon or distributions with respect thereto) of any of the foregoing. Administrative Agent's Liens shall continue in full force and effect in all Collateral until all Obligations (other than contingent indemnification obligations) have been indefeasibly and fully paid and all commitments of the Lender Parties under this Agreement have been terminated. Notwithstanding anything to the contrary, in no event shall the Collateral include, or the security interest in this Section 5.1 attach to, any property or assets that constitute Excluded Property, but only for so long as such property or assets constitute Excluded Property.

Section 5.2. Perfection and Protection of Administrative Agent's Security Interest. Administrative Agent's Liens at all times shall be and remain first, prior and senior to any other Liens in the Collateral, except those Permitted Liens which are expressly permitted to be prior to Administrative Agent's Liens in accordance with the definition thereof and except as may be expressly agreed otherwise by Administrative Agent in writing. Credit Parties shall take all action reasonably requested by Administrative Agent at any time to perfect, maintain, protect and enforce Administrative Agent's Liens and to ensure that Administrative Agent's Liens at all times are first, prior and senior to any other Liens in the Collateral, except those Permitted Liens which are expressly permitted to be prior to Administrative Agent's Liens in accordance with the definition thereof. Without limiting the foregoing, immediately upon request of Administrative Agent, Credit Parties will deliver to Administrative Agent the originals of all Instruments, Documents and Chattel Paper, duly endorsed or assigned to Administrative Agent without restriction, and all certificates of title covering any portion of the Collateral for which certificates of title have been issued, together with executed applications for reissued certificates of title, and other such documentation as may be reasonably requested by Administrative Agent. If at any time any Collateral or any books and records relating to Borrowers' Accounts or Inventory are located on any leased premises not owned by a Borrower or any other Credit Party, then the applicable

Credit Party shall use commercially reasonable efforts to obtain a Collateral Access Agreement from the record owner thereof (it being

understood that, without a Collateral Access Agreement, Accounts and Inventory of the Borrowers will not be eligible for inclusion in the Borrowing Base without a Reserve, in accordance with the requirements for Eligible Accounts and Eligible Inventory). If any Collateral is at any time in the possession or control of any warehouseman, bailee, processor or any other Person other than a Credit Party or a Person that has executed a Collateral Access Agreement, then Borrower Representative shall notify Administrative Agent thereof and shall use commercially reasonable efforts to obtain a Collateral Access Agreement from such Person (it being understood that, without a Collateral Access Agreement, Inventory and Machinery and Equipment of the Borrowers will not be Eligible Inventory, or Eligible Equipment, respectively, without a Reserve).

Section 5.3. Collateral Proceeds Management. All collections and proceeds of Collateral shall be subject to an express trust for the benefit of Administrative Agent, for the benefit of the Lender Parties, and shall be subject to this Section 5.3.

(a) Borrowers have established lock-box service for collection of Accounts, (the “Lockbox”), along with account #7244512989 for Precision, #7244535840 for Kinetic, and #7284747503 for Central Steel (such accounts and any other account replacing it with Administrative Agent’s consent, together the “Collection Account”) with Fifth Third Bank. All collections and amounts deposited into or held in the Collection Account shall be swept to the Administrative Agent Account on a daily basis and no Credit Party shall have any access to any funds therein. The Collection Account and the Lockbox shall at all times be subject to a Control Agreement. Any such Control Agreement shall provide, among other things, for Administrative Agent’s “control” under the UCC over the Collection Account and further that (i) all items of payment received in such account and the Lockbox are received by such bank for the Lender Parties, (ii) such bank has no rights of setoff or recoupment or any other claim against such items (other than for payment of its service fees and other charges directly related to the administration of such account, returned or charged back items, reversals, cancellation of payment orders and other electronic fund transfers or other corrections, adjustments or overdrafts), (iii) no Credit Party shall have access to any funds therein and (iv) such bank will deposit all collections and amounts therein to the Administrative Agent Account on a daily basis.

(b) Schedule 7.19 lists all of Credit Parties’ Deposit Accounts and Securities Accounts as of the Agreement Date (with the Collection Account being listed in Part A thereof, Excluded Accounts being listed in Part C thereof and all other Deposit Accounts and Securities Accounts listed in Part B thereof). All Deposit Accounts and Securities Accounts listed or required to be listed in Part A or B of Schedule 7.19 (as updated pursuant to the terms of Section 7.19) are and shall at all times be subject to a Control Agreement (such accounts so subject to a Control Agreement, collectively the “Controlled Accounts”). Each Control Agreement shall provide, among other things, for Administrative Agent’s “control” under the UCC over such accounts (allowing the applicable Credit Party access to funds therein until such time as an activation notice is sent to the applicable bank by Administrative Agent), for the benefit of Lender Parties.

(c) No Credit Party will use, dispose, withhold or otherwise exercise dominion over any proceeds of Collateral. Borrowers shall instruct all Account Debtors to send all

payments in respect of Accounts to the Collection Account or the related lock-box. At all times on and after Borrowers borrow the initial Loan hereunder, if a Borrower or any other Credit Party at any time receives any proceeds of Collateral, it shall receive such proceeds as Administrative Agent's

trustee and shall immediately (and in any event within one (1) Business Day of such receipt) deliver such proceeds to Administrative Agent, for the benefit of the Lender Parties, in their original form duly endorsed in blank or to the order of Administrative Agent.

(d) All payments received by Administrative Agent pursuant to Section 5.3(a) or Section 5.3(c) shall be credited to the Obligations in accordance with Section 4.7, immediately upon receipt, provided, that such payments shall be deemed to be credited to such Obligations on the third (3rd) Business Day after the date of receipt for the purpose of calculating interest. Any payments received by Administrative Agent pursuant to Section 5.3(a) or Section 5.3(c) that are to be distributed to Borrowers pursuant to Section 4.7 shall be deposited in the Designated Account within one Business Day of receipt of good funds by Administrative Agent.

Section 5.4. Examinations; Inspections; Verifications. Administrative Agent shall have the right at any time during normal business hours following prior reasonable notice, without hindrance or delay, to at Credit Parties' expense, conduct field examinations (including through third party field examiners) to inspect the Collateral and to inspect, audit and copy Credit Parties' books and records relating to the Collateral or Credit Parties' business. Credit Parties agree to pay all reasonable fees and expenses of such third party field examiners and Administrative Agent's customary fees and disbursements relating to such field examinations and the preparation of reports thereof; provided, that so long as no Event of Default shall have occurred during a calendar year, Credit Parties shall not be obligated to reimburse Administrative Agent for more than two (2) field examinations in each such calendar year. Administrative Agent is authorized to discuss Credit Parties' affairs with any Person, including without limitation employees of any Credit Party, as Administrative Agent may deem necessary in relation to the Collateral, Credit Parties' business or financial condition or Administrative Agent's or Lender Parties' rights under the Loan Documents. Administrative Agent shall have full access to all records available to Credit Parties from any credit reporting service, bureau or similar service and shall have the right to examine and make copies of any such records. Administrative Agent may exhibit a copy of this Agreement to such service and such service shall be entitled to rely on the provisions hereof in providing access to Administrative Agent as provided herein. If requested by Administrative Agent, Credit Parties will deliver to Administrative Agent any authorization or consent reasonably necessary for Administrative Agent to obtain records from any such service.

Section 5.5. Appraisal. Administrative Agent shall have the right at any time during normal business hours following prior reasonable notice, without hindrance or delay, to at Credit Parties' expense, conduct appraisals, or updates of appraisals, of any Collateral, prepared by an appraiser acceptable to Administrative Agent and on a basis satisfactory to the Administrative Agent; provided, that, so long as no Event of Default shall have occurred during a calendar year, Credit Parties shall not be obligated to reimburse Administrative Agent for more than two (2) appraisals of Inventory and one (1) appraisal of Equipment and Machinery in each such calendar year. In addition, any appraisals conducted at the request of a Credit Party shall be at the sole cost and expense of the Credit Parties.

Section 5.6. Right to Cure. Administrative Agent may pay any amount or do any act required of Credit Parties hereunder or under any other Loan Document in order to preserve, protect, maintain or enforce the Collateral or Administrative Agent's Liens, and which Credit

Parties fail to pay or do, including payment of any license, fee, maintenance costs, judgment lien, insurance

premium, charge, landlord's claim or bailee's claim relating to the Collateral or Administrative Agent's Liens. All payments that Administrative Agent makes under this Section 5.6 and all costs, fees and expenses that Administrative Agent pays or incurs in connection therewith shall be paid or reimbursed to Administrative Agent on demand. Any action taken by Administrative Agent under this Section 5.6 shall not waive any Default or Event of Default or any rights of Administrative Agent or Lenders with respect thereto.

#### Section 5.7. Power of Attorney.

(a) Each Credit Party hereby irrevocably appoints Administrative Agent as its agent and attorney-in-fact to take any action necessary to preserve and protect the Collateral and Administrative Agent's interests under the Loan Documents, to enforce Administrative Agent's Liens on the Collateral, and to sign and file any document necessary to perfect Administrative Agent's Liens, in each case, to the fullest extent permitted under Applicable Law.

(b) Without limiting Section 5.7(a), Administrative Agent shall have the right at any time to take any of the following actions, in its own name or in the name of any Credit Party, whether or not an Event of Default is continuing: (i) make written or verbal requests for verification of the validity, amount or any other matter relating to any Collateral from any Person, (ii) endorse a Credit Party's name on checks, instruments or other evidences of payment on Collateral, (iii) sign and file, in a Credit Party's name or in Administrative Agent's name as secured party, any proof of claim or other document in any bankruptcy proceedings of any Account Debtor or obligor on Collateral, (iv) access, copy or utilize any information related to the Collateral, recorded or contained in any computer or data processing equipment or system maintained by a Credit Party in respect of the Collateral and (v) open mail addressed to a Credit Party and take possession of checks or other proceeds of Collateral for application in accordance with this Agreement.

(c) Without limiting Section 5.7(a), Administrative Agent shall have the right at any time to take any of the following actions, in its own name or in the name of a Credit Party, at any time when any Event of Default is in existence and is continuing: (i) notify any or all Persons which Administrative Agent believes may be Account Debtors or obligors on Collateral to make payment directly to Administrative Agent, for the benefit of the Lenders, for the account of such Credit Party, (ii) redirect the deposit and disposition of collections and proceeds of Collateral; provided, that such proceeds shall be applied to the Obligations as provided by this Agreement, (iii) settle, adjust, compromise or discharge Accounts or extend time of payment upon such terms as Administrative Agent may determine, (iv) notify post office authorities to change the address for delivery of such Credit Party's mail to an address designated by Administrative Agent, (v) sign any invoice, bill of lading, warehouse receipt, bill of sale, certificate of title, or other document of title or transfer relating to any Collateral, and (vi) sign such other documents as Administrative Agent deems necessary or appropriate in its sole discretion to transfer the Collateral in connection with any exercise of remedies under the Loan Documents or Applicable Law.

(d) Each Credit Party authorizes Administrative Agent at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments naming such Credit Party as debtor thereon (i) describing such Credit Party's Collateral as "all personal property of debtor" or "all assets of debtor" or words of similar effect, (ii) describing such

Credit Party's Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance.

(e) The powers of attorney granted under this Section 5.7 are coupled with an interest and are irrevocable until all Obligations (other than contingent indemnification Obligations for which no demand has been made) have been indefeasibly paid in full and all commitments of Lenders under this Agreement have been terminated. The powers of attorney granted under this Section 5.7 are durable and should not be affected by the subsequent disability or incapacity of any Credit Party. All costs, fees and expenses incurred by Administrative Agent in connection with any of such actions by Administrative Agent, including attorneys' fees and out-of-pocket expenses, shall be reimbursed to Administrative Agent on demand.

Section 5.8. Preservation of Administrative Agent's Rights. To the extent allowed by Applicable Law, none of Administrative Agent, any other Lender Party, their Affiliates nor any of their officers, directors, stockholders, members, managers, employees or agents shall be liable or responsible in any way for the safekeeping of any Collateral or for any act or failure to act with respect to the Collateral, or for any loss or damage thereto or any diminution in the value thereof, or for any act by any other Person, except to the extent of gross negligence or willful misconduct on the part of Administrative Agent or Lenders (as determined by a final non-appealable judgment of a court of competent jurisdiction). In the case of any Instruments and Chattel Paper included within the Collateral, Administrative Agent shall have no duty or obligation to preserve rights against prior parties. The Obligations shall not be affected by any failure of Administrative Agent or any other Lender Party to take any steps to perfect its security interests or to collect or realize upon the Collateral, nor shall loss of or damage to the Collateral release any Credit Party from any of the Obligations.

Section 5.9. Deficiency. In the event that the proceeds of any sale, collection or realization of or upon the Collateral by Administrative Agent are insufficient to pay all Obligations in full, each Credit Party shall be liable for the deficiency, together with interest thereon as provided in this Agreement, together with the costs of collection and the reasonable fees of any attorneys employed by the Administrative Agent to collect such deficiency.

#### **ARTICLE VI CONDITIONS**

Section 6.1. Conditions Precedent to Initial Loan. The obligation of Lenders to make the initial extension of credit and of LC Issuer to issue the initial Letter of Credit under this Agreement is subject to the fulfillment, to Administrative Agent's reasonable satisfaction, of each of the following conditions precedent:

(a) Administrative Agent shall have received each of the following, in each case in form and substance reasonably satisfactory to Administrative Agent:

(i) Each of the documents set forth on the Closing Checklist, duly executed by each of the parties thereto, to the extent execution of such document is contemplated;

(ii) This Agreement, duly executed by each Credit Party;

(b) Administrative Agent shall have received satisfactory evidence that Availability, after giving effect to (i) the initial Revolving Loans, (ii) payment of all fees and Lender Expenses required to be paid hereunder, (iii) payment of all taxes due and owing and

(iv) payment of all trade indebtedness such that no trade indebtedness is sixty (60) days or more past due, will be in an amount equal to or greater than \$5,000,000;

(c) A field examination of the Credit Parties and the Collateral reasonably satisfactory to Administrative Agent shall have been completed and delivered to Administrative Agent;

(d) Credit Parties shall have established cash proceeds management pursuant to Section 5.3 and confirmed that Credit Parties' reporting systems are reasonably acceptable to Administrative Agent;

(e) Credit Parties shall have authorized the filing of all financing statements as required to perfect Administrative Agent's Liens in all Collateral with respect to which perfection can be achieved by filing a financing statement,;

(f) Administrative Agent shall have received customary and commercially reasonable reference checks with respect to the senior management of each Credit Party;

(g) Administrative Agent shall have completed confirmation of Borrowers' Accounts, via telephone or otherwise, and the results of such confirmation shall be reasonably satisfactory to Administrative Agent;

(h) Credit Parties shall have paid all Lender Expenses then due and payable owed by them as of the Agreement Date;

(i) All legal and business matters in connection with the transaction contemplated by this Agreement shall be reasonably satisfactory to Administrative Agent.

Section 6.2. Conditions Precedent to each Term Cap Ex Loan Advance. In addition to the conditions precedent specified by Sections 6.1 and 6.3, the obligation of Lenders to make any Term Cap Ex Loan Advance shall be subject to the receipt by Administrative Agent of each of the following:

(a) All invoices and other requested documentation for each expenditure to be financed by such Term Cap Ex Loan Advance;

(b) If requested by a Lender, an executed Term Cap Ex Note in the appropriate amount; and

(c) A Borrowing Notice for such Term Cap Ex Loan Advance meeting the requirements set forth in Section 2.2(a).

Section 6.3. Conditions Precedent to all Loans. In addition to the conditions precedent specified by Section 6.1 and Section 6.2, the obligation of Lenders to make any Loan and of the LC

Issuer to issue, renew or extend any Letter of Credit shall be subject to the following conditions precedent:

(a) All representations and warranties in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such Loan or issuance, renewal or extension of such Letter of Credit, as though such representations and warranties are made on and as of such date (except to the extent any such representations and warranties relate solely to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date);

(b) No Default or Event of Default shall have occurred and be continuing on the date of such Loan or issuance, renewal or extension of such Letter of Credit, and no Default or Event of Default will result from the making of such Loan or issuance, renewal or extension of such Letter of Credit;

(c) The funding of such Loan or issuance, renewal or extension of such Letter of Credit shall not be prohibited by any Applicable Law;

(d) Borrowers shall have satisfied all applicable requirements for requesting such Loan or issuance, renewal or extension of such Letter of Credit;

(e) No Material Adverse Effect shall have occurred since the Agreement Date and be continuing, or will result from the making of such Loan or issuance, renewal or extension of such Letter of Credit;

(f) No involuntary petition shall have been filed against any Credit Party that has not been dismissed and there shall not exist any other action or proceeding seeking relief under the Bankruptcy Code or seeking any reorganization, arrangement, consolidation or readjustment of the debts of any Credit Party under any other bankruptcy or insolvency law; and

(g) Credit Parties shall have paid all Lender Expenses then due and payable incurred through the date of the funding of such Loan.

A request for a Loan or for the issuance, renewal or extension of a Letter of Credit pending at a time when any condition precedent specified by Section 6.1 or Section 6.3 is not satisfied may be declined by Administrative Agent without prior notice. A request for a Loan or for the issuance, renewal or extension of a Letter of Credit shall constitute a representation by the Credit Parties that each of the conditions precedent specified by Section 6.1 and Section 6.3 are satisfied.

#### **ARTICLE VII REPRESENTATIONS AND WARRANTIES**

In order to induce the Lender Parties to enter into this Agreement and make Loans and to induce LC Issuer to issue, renew or extend Letters of Credit, each Credit Party, jointly and severally, makes each of the following representations and warranties to the Lender Parties:

Section 7.1. Fundamental Information. Schedule 7.1 sets forth, as of the most recent Reporting Date, for each Credit Party: (a) its legal name, (b) its federal tax identification number,

(c) its jurisdiction of organization, (d) its address of its chief executive office, (e) jurisdictions in which qualification is necessary in order for it to own or lease its property and conduct its business, except where failure to so qualify could not reasonably be expected to have a Material Adverse Effect, and (f) the number and the percentage of the outstanding shares of each class of such Person's and its direct and indirect Subsidiaries' Equity Interests, all of which are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Person identified therein. Each Credit Party (i) is a registered organization, as defined by the UCC, duly organized and validly existing and in good standing under the laws of its jurisdiction of organization, (ii) is qualified to do business and is in good standing as a foreign organization in each jurisdiction in which qualification is necessary in order for it to own or lease its property and conduct its business, except where failure to so qualify or maintain such good standing could not reasonably be expected to have a Material Adverse Effect and (iii) has all requisite power and authority to conduct its business and to own its property.

Section 7.2. Prior Transactions. No Credit Party has, during the past five (5) years, (a) except as set forth on Schedule 7.2, changed its name or used any fictitious name or been a party to any merger or organizational change or (b) acquired any of its property outside of the ordinary course of business.

Section 7.3. Subsidiaries. No Credit Party has any Subsidiaries except as shown in Schedule 7.1.

Section 7.4. Authorization, Validity and Enforceability. Each Credit Party has the corporate or company power and authority to execute, deliver and perform this Agreement and the other Loan Documents to which it is a party, to incur the Obligations, and to grant the Administrative Agent's Liens on the Collateral. Each Credit Party has taken all necessary action to properly authorize its execution, delivery and performance of the Loan Documents to which it is a party. This Agreement and the other Loan Documents to which each Credit Party is a party have been duly executed and delivered by such Credit Party, and constitute the legal, valid and binding obligations of such Credit Party, enforceable against it in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to enforcement of creditors' rights.

Section 7.5. Noncontravention. Each Credit Party's execution, delivery, and performance of this Agreement and the other Loan Documents to which it is a party do not and will not conflict with, violate or constitute a violation of or breach or default under, as applicable, (a) its organizational documents, (b) any agreement or instrument to which it or any of its Subsidiaries is a party or which is otherwise binding upon it or any of its Subsidiaries in a manner that could reasonably be expected to result in a Material Adverse Effect or (c) any Applicable Law applicable to it or any of its Subsidiaries in any material respect.

Section 7.6. Financial Statements. Credit Parties have delivered to Administrative Agent the audited consolidated balance sheet and related statements of income, retained earnings, cash flows and changes in stockholders' equity for Precision and its consolidated Subsidiaries as of September 30, 2024 and for the Fiscal Year then ended, accompanied by the report thereon of the

Credit Parties' independent certified public accountants. Credit Parties have also delivered to Administrative Agent the unaudited consolidated balance sheet and related statements of income

and cash flows for Precision and its consolidated Subsidiaries as of October 31, 2025. All such financial statements have been prepared in accordance with GAAP and present accurately and fairly in all material respects the financial position of Precision and its consolidated Subsidiaries as at the dates thereof and their results of operations for the specified periods, subject, in the case of such unaudited financials to normal year-end adjustments and the absence of footnote disclosure. No Material Adverse Effect has occurred since the dates of such financial statements, respectively.

Section 7.7. Litigation. As of the most recent Reporting Date, except as set forth on Schedule 7.7 (which sets forth a complete and accurate description of each action, suit, claim or proceeding described therein, the parties thereto, the nature of such dispute, and whether any potential liability is covered by insurance), there is no pending or, to the knowledge of Credit Parties after due inquiry, threatened, action, suit, proceeding or claim by any Person against or with respect to a Credit Party or its Subsidiaries, or to the knowledge of Credit Parties after due inquiry, investigation by any Governmental Authority into or relating in any way to a Credit Party or its Subsidiaries, or any basis for any of the foregoing, which, in each case, could reasonably be expected to result in a Material Adverse Effect. To the extent any Credit Party notifies Administrative Agent of any new pending or threatened action, suit, proceeding or claim pursuant to Section 8.7(b) hereto, such new information shall be deemed added to Schedule 7.7 hereto.

Section 7.8. ERISA and Employee Benefit Plans. Except as set forth on Schedule 7.8, no Credit Party nor any ERISA Affiliate maintains or contributes to an ERISA Benefit Plan. Except for those events or circumstances that could not reasonably be expected to result in a Material Adverse Effect, (x) each ERISA Benefit Plan is in compliance with applicable provisions of ERISA, the IRC and other Applicable Law and (y) there are no existing or pending (or to the knowledge of Credit Parties, threatened) claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits or other proceedings or investigations involving any ERISA Benefit Plan to which a Credit Party or any of its Subsidiaries incurs or otherwise has or could have a material obligation or any material liability. No ERISA Affiliate is required to contribute to, or has any other absolute or contingent liability in respect of, any Multiemployer Plan. No “accumulated funding deficiency” (as defined in Section 412(a) of the IRC) exists with respect to any ERISA Benefit Plan, whether or not waived by the Secretary of the Treasury or his delegate, and the current value of the benefits of each ERISA Benefit Plan that is subject to the funding requirements of Section 412 of the IRC does not exceed the current value of such ERISA Benefit Plan’s assets available for the payment of such benefits. No Termination Event has occurred, and none of the Credit Parties is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in a Termination Event with respect to any ERISA Benefit Plan. None of the Credit Parties or any ERISA Affiliate has (i) incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid or (ii) engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA.

Section 7.9. Compliance with Laws. Each Credit Party and its Subsidiaries are (a) in compliance, in all material respects, with the Patriot Act and (b) in compliance with all other Applicable Laws, except where such failure to comply under this subsection (b) could not reasonably be expected to result in a Material Adverse Effect.

Section 7.10. Taxes. Credit Parties have filed all federal and other tax returns and reports required to be filed by Applicable Law, and have paid all federal and other taxes, assessments, fees

and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable other than any unpaid taxes, assessments fees or other charges that are

(a) being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which adequate reserves are maintained on the books of the applicable Credit Party in accordance with GAAP, and so long as none of the Collateral would become subject to forfeiture, any Lien (other than a Permitted Lien junior to Administrative Agent's Lien on the Collateral) or any loss as a result of such contest or delay in payment, or (b) immaterial in amount and for which Borrowers' have, within thirty (30) days after obtaining actual knowledge of the nonpayment thereof, paid or contested such amount in accordance with this Section 7.10.

Section 7.11. Location of Collateral and Books and Records. Schedule 7.11 is a complete list of the location of the Collateral and of Credit Parties' books and records as of the most recent Reporting Date, with a notation as to whether such location is leased or owned and which Credit Party so leases or owns such property. If any such location is not owned by a Credit Party, Schedule 7.11 includes the name and mailing address of the owner thereof. If any Collateral or any books or records of any Credit Party is transported or transferred to a location not previously disclosed in Schedule 7.11, such schedule shall be updated within five (5) Business Days of such transfer.

Section 7.12. Accounts. Each Account represents a bona fide sale or lease and delivery of goods or rendition of services by a Borrower in the ordinary course of such Borrower's business. Each Account is for a liquidated amount payable by the Account Debtor thereon on the terms set forth in the invoice therefor and in the schedule of Accounts delivered to Administrative Agent, except ordinary course credits, discounts and allowances, without any offset, deduction, defense or counterclaim except those known to Borrowers and disclosed to Administrative Agent in writing. No payment has been received, and no credit, discount or extension or agreement has been granted, on any Account except as reported to and permitted by Administrative Agent in writing. Each copy of an invoice delivered to Administrative Agent by Borrowers is a genuine copy of the original invoice sent to the Account Debtor named therein. All goods described in any invoice representing a sale of goods have been delivered to the Account Debtor named therein and all services of Borrowers described in each invoice representing services have been performed.

Section 7.13. Inventory. No Instruments or documents of title have been issued in respect of any Inventory.

Section 7.14. Documents, Instruments, and Chattel Paper. All Documents, Instruments and Chattel Paper, and all signatures and endorsements thereon, are complete, valid and genuine.

Section 7.15. Proprietary Rights. Schedule 7.15 sets forth a correct and complete list of all Proprietary Rights owned by the Credit Parties that are material to the Credit Parties' business as of the most recent Reporting Date. None of such Proprietary Rights is subject to any licensing agreement or similar arrangement except as set forth on Schedule 7.15. All Proprietary Rights set forth on Schedule 7.15 are valid, subsisting, unexpired and enforceable in all material respects. To Credit Parties' knowledge, none of such Proprietary Rights infringes on, misappropriates, dilutes or conflicts with any other Person's property in any manner that could reasonably be expected to

result in a Material Adverse Effect, and no other Person's property infringes on, misappropriates, dilutes or conflicts with such Proprietary Rights in any manner that could reasonably be expected

to result in a Material Adverse Effect. The Proprietary Rights described on Schedule 7.15 and all other Proprietary Rights in which Credit Parties have an interest constitute all of the property of such type materially necessary to the current and anticipated future conduct of Credit Parties' business. No holding, decision or judgment has been rendered by any Governmental Authority or court of law which would cancel or question the validity of, or such Credit Parties' rights in, any Proprietary Rights material to the conduct of any Credit Party's business. No action, suit, claim, demand, order or proceeding is pending, or to the knowledge of the Credit Parties, threatened in writing (i) seeking to limit, cancel or question the validity of any Proprietary Rights material to the conduct of any Credit Party's business, or such Credit Party's ownership interest therein (other than office actions issued in the ordinary course of prosecution of any pending applications for Patents or applications for registration of other Proprietary Rights), or (ii) which, if adversely determined, could reasonably be expected to have a Material Adverse Effect on any Proprietary Rights material to the conduct of any Credit Party's business. If any Credit Party becomes the owner of any Proprietary Rights that are material to the conduct of any Credit Party's business not previously disclosed in Schedule 7.15, such Schedule shall be updated promptly, and in any event, within five

(5) Business Days of becoming the owner thereof. If any Credit Party enters into any licensing agreement or similar arrangement with respect to any of Credit Parties' Proprietary Rights not previously disclosed in Schedule 7.15, such Schedule shall be updated promptly, and in any event, within five (5) Business Days of entering into such agreement.

Section 7.16. Investment Property. Schedule 7.16 sets forth a correct and complete list of all Investment Property owned by Credit Parties as of the most recent Reporting Date. As of the most recent Reporting Date, Credit Parties are the legal and beneficial owner of such Investment Property, as applicable, and have not sold, granted any option with respect to, assigned or transferred, or otherwise disposed of any of their rights or interest therein. Credit Parties shall update Schedule 7.16 on the last Business Day of any month in which (and to the extent) there are any changes thereto.

Section 7.17. Real Property and Leases. The Credit Parties have good, valid, marketable and legal title to all of the Real Property owned by them, free and clear of all Liens, encumbrances, or adverse claims other than Permitted Liens and free and clear of all impediments to the use of such properties in Credit Parties' in the ordinary course of business. Schedule 7.17 sets forth a correct and complete list of all Real Property owned by the Credit Parties, all leases and subleases of Real Property on which a Credit Party is lessee or sublessee, and all leases or subleases of Real Property on which a Credit Party is lessor or sublessor, each as of the most recent Reporting Date. Each Credit Party enjoys peaceful and undisturbed possession under all leases listed in Schedule 7.17 and each such lease is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease exists. Credit Parties shall update Schedule 7.17 on the last Business Day of any month in which (and to the extent) there are any changes thereto.

Section 7.18. Material Agreements. Schedule 7.18 sets forth all Material Agreements to which any Credit Party is a party or is otherwise bound as of the most recent Reporting Date. Credit Parties shall update Schedule 7.18 on the last Business Day of each month to the extent there are any additional Material Agreements to disclose on Schedule 7.18. All such Material

Agreements set forth on Schedule 7.18 are in full force and effect and no defaults by any Credit Party or other Person exist thereunder.

Section 7.19. Bank Accounts. Schedule 7.19 contains a complete list of all Deposit Accounts and Securities Accounts maintained by the Credit Parties as of the most recent Reporting Date. If any Credit Party opens or otherwise comes into possession of a Deposit Account or a Securities Account not previously disclosed on Schedule 7.19, such schedule shall be updated immediately upon such opening, or coming into possession.

Section 7.20. Title to Property. Each Credit Party has good, valid, marketable and exclusive title to, or a valid leasehold interest or license in (as applicable), all of its property, free of all Liens except Permitted Liens. Each Credit Party possesses all Proprietary Rights (or otherwise possesses the right to use such Proprietary Rights without violation of the rights of any other Person) which are necessary to carry out its business as presently conducted and as presently proposed to be conducted hereafter, and no Credit Party is in violation in any material respect of the terms under which it possesses such Proprietary Rights or the right to use such Proprietary Rights. Administrative Agent's Liens are not subject or junior to any other Lien other than those Permitted Liens that are prior to Administrative Agent's Liens.

Section 7.21. Debt. After giving effect to the making of the initial Loans, no Credit Party has any Debt except the Obligations and other Debt expressly permitted under Section 9.5.

Section 7.22. Liens. There are no Liens on any property of any Credit Party other than Permitted Liens.

Section 7.23. Solvency. Prior to and after giving effect to the making of the initial Loans hereunder and each subsequent Loan thereafter, each Credit Party is, on an individual basis, Solvent.

Section 7.24. Non-Regulated Entities. No Credit Party and no Subsidiary of any Credit Party is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940. No Credit Party and no Subsidiary of any Credit Party is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Debt or may otherwise render all or any portion of the Obligations unenforceable.

Section 7.25. Governmental Authorization. No approval, consent, exemption, authorization or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Credit Party of this Agreement or any other Loan Document, other than: (i) the filing of UCC Financing Statements to be filed against the Credit Parties evidencing Administrative Agent's Liens; (ii) filings to be made with the United States Patent and Trademark Office or United States Copyright Office evidencing Administrative Agent's Liens on registered Proprietary Rights; (iii) as may be required in connection with any exercise of remedies by Administrative Agent in respect of the Equity Interests of any Credit Party by Applicable Laws affecting the offering and sale of securities generally; and (iv) those which have been obtained and are still in full force and effect.



Section 7.26. Investment Banking or Finder's Fees. No Credit Party has agreed to pay or is otherwise obligated to pay or reimburse any Person with respect to any investment banking or similar or related fee, underwriter's fee, finder's fee or broker's fee in connection with this Agreement.

Section 7.27. Full Disclosure. None of the representations or warranties made by any Credit Party in the Loan Documents and none of the statements contained in any Schedule or any report, statement or certificate furnished to Administrative Agent by or on behalf of any Credit Party in connection with the Loan Documents contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered.

Section 7.28. Other Obligations and Restrictions. No Credit Party has any outstanding liabilities of any kind (including contingent obligations, tax assessments, or long-term commitments) of a nature and type required to be set forth as a liability on a balance sheet in accordance with GAAP which are, in the aggregate, material to Credit Parties or material with respect to Credit Parties' consolidated financial condition that are not reflected on the financial statements delivered pursuant to Section 6.1(a), Section 8.4(a) or Section 8.4(b), or in the notes thereto. No Credit Party is subject to or restricted by any franchise, contract, deed, charter restriction, or other instrument or restriction which could reasonably be expected to result in a Material Adverse Effect.

Section 7.29. Acts of God and Labor Matters. Neither the business nor the properties of any Credit Party has been affected by any fire, explosion, accident, drought, storm, hail, earthquake, embargo, act of God or other casualty (whether or not covered by insurance), which could reasonably be expected to result in a Material Adverse Effect. There is (a) no unfair labor practice complaint pending or, to the knowledge of any Credit Party, threatened against any Credit Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or, to the knowledge of any Credit Party, threatened against any Credit Party or its Subsidiaries which arises out of or under any collective bargaining agreement, (b) no strike, labor dispute, lockout, slowdown, stoppage or similar action or grievance, pending or, to Credit Parties knowledge, threatened against any Credit Party or any of their respective Subsidiaries that could reasonably be expected to result in a material liability and (c) no union certification application or representation petition existing with respect to the employees of any Credit Party or any of their respective Subsidiaries, and no union organizing activities are taking place with respect to any of the employees of any Credit Party or their Subsidiaries. No Credit Party nor their Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Credit Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Credit Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Credit Parties, except where the

failure to do so could not individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 7.30. Environmental and Other Laws. (a) Except as individually or in the aggregate could not result in a Material Adverse Effect, each Credit Party is conducting its business in material compliance with all Applicable Laws, including Environmental Laws, holds all licenses and permits necessary for the conduct of its business in the ordinary course, and is in compliance with all such licenses and permits required under any such Applicable Laws; (b) to the knowledge of Credit Parties, (i) none of the operations or properties of any Credit Party is the subject of federal, state or local investigation evaluating whether any material remedial action is needed to respond to a release of any Hazardous Materials into the environment or to the improper storage or disposal (including storage or disposal at offsite locations) of any Hazardous Materials, except as set forth on Schedule 7.30 and (ii) no Credit Party's nor any of its Subsidiaries' properties or assets has ever been used by a Credit Party, its Subsidiaries or any previous owner or operator in the disposal of, or to produce, store, handle, treat, release, or transport any Hazardous Materials, where such disposal, production, storage, handling, treatment, release or transport was in violation, in any material respect, of any applicable Environmental Law; (c) no Credit Party has (and to the knowledge of Credit Parties, no other Person has) filed any notice under any Applicable Law indicating that any Credit Party or their Subsidiaries is responsible for the improper release into the environment, or the improper storage or disposal, of any material amount of any Hazardous Materials or that any Hazardous Materials have been improperly released, or are improperly stored or disposed of, upon any property of any Credit Party or their Subsidiaries; (d) no Credit Party has (nor have any of Credit Parties' Subsidiaries) transported or arranged for the transportation of any Hazardous Material to any location which is (i) listed on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, listed for possible inclusion on such National Priorities List by the Environmental Protection Agency in its Comprehensive Environmental Response, Compensation and Liability Information System List, or listed on any similar state list or (ii) the subject of federal, state or local enforcement actions or other investigations which may lead to claims against such Credit Party for clean-up costs, remedial work, damages to natural resources or for personal injury claims (whether under Environmental Laws or otherwise); and (e) no Credit Party has any known material contingent liability under any Environmental Laws or in connection with the release into the environment, or the storage or disposal, of any Hazardous Materials.

Section 7.31. Security Interests.

(a) Administrative Agent, for the benefit of the Lender Parties, has a valid and perfected first priority security interest in the Collateral, subject only to Permitted Liens, and

(b) no further or subsequent filing, recording, registration, other public notice or other action is necessary or desirable to perfect or otherwise continue, preserve or protect Administrative Agent's security interest in the Collateral that may be perfected by the filing of a financing statement pursuant to the UCC except (i) for continuation statements, (ii) for filings required to be filed in the event of a change in the name, jurisdiction of organization, type of organization or organizational structure of a Credit Party, or (iii) in the event any financing statement filed by Administrative Agent, for the benefit of the Lender Parties, relating hereto otherwise becomes inaccurate or incomplete.

Section 7.32. Commercial Tort Claims. Schedule 7.32 sets forth all Commercial Tort Claims brought by any Credit Party against any Person as of the most recent Reporting Date. If

any Credit Party brings a Commercial Tort Claim against any Person on or after such Reporting Date, such Schedule shall be updated promptly, and in any event, within five (5) Business Days of such Credit Party bringing such Commercial Tort Claim against such Person.

Section 7.33. Common Enterprise. The successful operation and condition of each of the Borrowers is dependent on the continued successful performance of the functions of the group of Borrowers as a whole and the successful operation of each of the Borrowers is dependent on the successful performance and operation of each other Borrower. Each Borrower expects to derive benefit (and its board of directors, manager(s), general partner(s) or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from

(i) successful operations of each of the other Borrowers and (ii) the credit extended by the Lender Parties to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Borrower has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Borrower is within its purpose, will be of direct and indirect benefit to such Borrower, is in its best interest and necessary or convenient to the conduct, promotion or attainment of the business of such Borrower, its wholly owned direct or indirect Subsidiaries and/or its direct or indirect parent. Each Guarantor has determined that execution, delivery and performance of this Agreement and any other Loan Document to which it is a party (including without limitation, its Guaranty Agreement) is within its purpose, will be of direct and indirect benefit to such Guarantor, is in its best interest and is necessary or convenient to the conduct, promotion, or attainment of the business of such Guarantor.

Section 7.34. Anti-Terrorism Laws.

(a) No Credit Party nor any Subsidiary of any Credit Party is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) No Credit Party nor any Subsidiary of any Credit Party, nor to the knowledge of any Credit Party, their respective agents acting or benefiting in any capacity in connection with the Loans or other transactions hereunder, is any of the following (each a "Blocked Person"): (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; (iii) a Person or entity with which any Lender Party is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224; (v) a Person or entity that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list, or (vi) a Person or entity who is affiliated or associated with a Person or entity listed above. No Credit Party nor any Subsidiary of any Credit Party, nor to the knowledge of any Credit Party, their respective agents acting in any capacity in connection with the Loans or other transactions hereunder (i) conducts any business or engages in making or receiving any

contribution of funds, goods or services to or for the benefit of any Blocked Person, or (ii) deals in, or otherwise engages

in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

Section 7.35. Trading with the Enemy. No Credit Party has engaged, nor does it intend to engage, in any business or activity prohibited by the Trading with the Enemy Act.

Section 7.36. OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws. No Credit Party or any of its Subsidiaries is in violation of any Sanctions. No Credit Party nor any of its Subsidiaries nor, to the knowledge of such Credit Party, any director, officer, employee, agent or Affiliate of such Credit Party or such Subsidiary (a) is a Sanctioned Person or a Sanctioned Entity, (b) has any assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. Each of the Credit Parties and its Subsidiaries has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance with Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Each of the Credit Parties and its Subsidiaries, and to the knowledge of each such Credit Party, each director, officer, employee, agent and Affiliate of each such Credit Party and each such Subsidiary, is in compliance with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.

Section 7.37. Continuing Representations. All representations and warranties under this Agreement shall survive the execution and delivery of this Agreement.

#### **ARTICLE VIII AFFIRMATIVE COVENANTS**

Until termination of this Agreement and the indefeasible payment and performance in full of the Obligations (other than contingent indemnification obligations), each Credit Party agrees, jointly and severally, as follows:

Section 8.1. Existence and Good Standing. Each Credit Party shall maintain (a) its existence and good standing in its jurisdiction of organization and (b) its qualification and good standing in all other jurisdictions in which the failure to maintain such qualification or good standing could reasonably be expected to result in a Material Adverse Effect.

Section 8.2. Compliance with Agreements and Laws. Each Credit Party will perform all obligations it is required to perform under the terms of each indenture, mortgage, deed of trust, security agreement, lease, franchise, agreement, contract or other instrument or obligation to which it is a party or by which it or any of its properties is bound, except where failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Credit Party will conduct its business and affairs in compliance with all Applicable Laws applicable thereto, except, with respect to Applicable Laws other than Sanctions, Anti-Corruption Laws, and Anti-Money Laundering Laws, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Credit Party shall, and shall ensure that each of its Subsidiaries will (a) conduct its business in compliance with all Anti-Corruption Laws and Anti-Terrorism Laws and (b) maintain policies and procedures designed to promote and achieve compliance with Anti-Corruption Laws. Each Credit Party will cause all licenses and permits necessary for the

conduct of its business and the ownership and operation of its property used and property reasonably expected to be used in the

conduct of its business to be at all times maintained in good standing and in full force and effect, except where failure to do so could not reasonably be expected to result in a Material Adverse Effect. Each Credit Party will, and will cause each of its Subsidiaries to, comply with all applicable Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws . Each of the Credit Parties and its Subsidiaries shall implement and maintain in effect policies and procedures reasonably designed to ensure compliance by the Credit Parties and their Subsidiaries and their respective directors, officers, employees, agents and Affiliates with Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.

Section 8.3. Books and Records. Each Credit Party shall maintain at all times correct and complete books and records in which complete, correct and timely entries are made of its transactions in accordance with GAAP applied consistently with the audited financial statements required to be delivered pursuant to Section 8.4.

Section 8.4. Financial Reporting. Borrower Representative and, to the extent required hereby, each other Credit Party, shall promptly furnish to Administrative Agent all such financial information with respect to Credit Parties as Administrative Agent may reasonably request. Without limiting the foregoing, Borrower Representative and, to the extent required hereby, each other Credit Party, will furnish to Administrative Agent the following:

(a) As soon as available, but in any event not later than one hundred twenty (120) days after the end of each Fiscal Year, audited consolidated balance sheets, statements of income and expense, statements of cash flows, and statements of changes in stockholder's equity for Precision and its consolidated Subsidiaries for such Fiscal Year, with the accompanying notes thereto and consolidating schedules, each prepared in accordance with GAAP, in reasonable detail and fairly presenting the financial position and results of operations of Precision and its consolidated Subsidiaries as of the date thereof and for the Fiscal Year then ended. Such audited statements shall be examined in accordance with generally accepted accounting standards by independent certified public accountants selected by Precision and reasonably satisfactory to Administrative Agent, whose report thereon shall not be qualified in any respect. Each Credit Party hereby authorizes Administrative Agent to communicate directly with its certified public accountants and, by this provision, authorizes such accountants to disclose to Administrative Agent any and all financial statements and other supporting financial documents and schedules relating to any Credit Party and to discuss directly with Administrative Agent the finances and affairs of Credit Parties.

(b) As soon as available, but in any event not later than thirty (30) days after the end of each Fiscal Month, consolidated and consolidating unaudited balance sheets of Precision and its consolidated Subsidiaries as of the end of such Fiscal Month, and consolidated and consolidating unaudited statements of income and expense and cash flows for Precision and its consolidated Subsidiaries for such Fiscal Month and for the period from the beginning of the Fiscal Year to the end of such Fiscal Month, all in reasonable detail, fairly presenting the financial position and results of operations of Precision and its consolidated Subsidiaries as of the date thereof and for such Fiscal Months, and prepared in accordance with GAAP applied consistently with the audited financial statements required by Section 8.4(a). Borrower Representative shall certify by a certificate signed by a Responsible Officer of Borrower

Representative that all such statements have been prepared in accordance with GAAP and present fairly, subject to normal

year-end adjustments and the absence of footnote disclosure, Credit Parties' financial position as of the dates thereof and the results of operations for the Fiscal Months then ended.

(c) Annually, not sooner than August 1 and not later than September 1 of each Fiscal Year, an annual forecast (to include forecasted consolidated balance sheet, statement of income and expenses and statement of cash flow) for Precision and its consolidated Subsidiaries as of the end of and for each Fiscal Month of its following Fiscal Year.

(d) As soon as available, but in any event not later than fifteen (15) days after any Credit Party's receipt thereof, a copy of all management reports and management letters prepared for Credit Parties by any independent certified public accountants of Credit Parties.

(e) Promptly after filing, a copy of each tax return filed by each Credit Party.

(f) Promptly after receipt thereof, copies of all monthly bank statements in respect of any Deposit Account or Securities Account of any Credit Party (which may be satisfied by providing Administrative Agent electronic read-only access to such accounts), including the Excluded Accounts.

(g) At all times commencing on and after three (3) days following the Agreement Date, online "view" access to each Deposit Account or Securities Account of the Credit Parties.

(h) Such additional information as Administrative Agent may from time to time reasonably request regarding the financial and business affairs of Credit Parties or any of their Subsidiaries.

Section 8.5. Collateral Reporting. Borrower Representative, on behalf of all Borrowers, shall provide the following to Administrative Agent:

(a) a Borrowing Base Certificate, including a detailed calculation of the Borrowing Base and each component thereof, a certification of Eligible Accounts and Eligible Inventory, a sales register, inventory report, and cash receipt report, and all supporting documents and information (including sales journals, credit memos, cash receipts journals and reconciliation of changes from the most recent Borrowing Base Certificate delivered to Administrative Agent):

(i) with each request for a Revolving Loan (calculated as of the date that is one (1) Business Day prior to the delivery of such Borrowing Base Certificate), and

(ii) during a Weekly Reporting Period, if no request for a Revolving Loan is made during a calendar week, on the first (1<sup>st</sup>) Business Day of the following calendar week (calculated as of the last Business Day of the preceding calendar week);

(b) monthly, not later than the fifteenth (15th) day of each Fiscal Month, a Borrowing Base Certificate (calculated as of the last day of the preceding Fiscal Month), together with:

(i) a schedule of Accounts and a schedule of payments on Accounts, as of the last day of the preceding Fiscal Month;

(ii) a reconciliation to the Borrowing Base as calculated in the most recent month-end Borrowing Base Certificate delivered to Administrative Agent, in the form prescribed by Administrative Agent;

(iii) an aging of Borrowers' Accounts as of the last day of the preceding Fiscal Month, in form and substance satisfactory to Administrative Agent, including a listing of the name and complete address of each Account Debtor, a reconciliation to the previous calendar month's aging of Borrowers' Accounts and to Borrowers' general ledgers, and such other information as Administrative Agent may request;

(iv) an aging of Borrowers' accounts payable (including the due date for each account payable) as of the last day of the preceding Fiscal Month;

(v) Inventory reports as of the last day of the preceding Fiscal Month, by category and location, with detail showing additions to and deletions from Inventory, together with a reconciliation to the general ledger;

(vi) at Administrative Agent's request, copies of invoices and supporting delivery or service records, copies of credit memos or other advices of credit or reductions against amounts previously billed, shipping and delivery documents, purchase orders and such other copies or reports in respect of any Collateral as Administrative Agent may request from time to time; and

(c) semiannually, on or before the last Business Day in June and December of each year, or more often at Administrative Agent's request, a listing of each Account Debtor in respect of Borrowers' Accounts, with full contact information for each such Account Debtor (including the complete address, contact person, phone number and email address) and such other information as Administrative Agent may request in respect of the Borrowers' Accounts.

Each Borrowing Base Certificate, schedule, reconciliation, aging, copy or report delivered to Administrative Agent shall bear a signed statement by a Responsible Officer of Borrower Representative certifying the accuracy and completeness of all information included therein. The execution and delivery of a Borrowing Base Certificate shall in each instance constitute a representation and warranty by each Borrower to Administrative Agent and Lenders that no Account included therein as an Eligible Account should be excluded from inclusion in the Borrowing Base pursuant to the terms hereof and that no Inventory included therein as Eligible Inventory should be excluded from inclusion in the Borrowing Base pursuant to the terms hereof. In the event any request for a Revolving Loan or a Borrowing Base Certificate or other information required by this Section 8.5 is delivered to Administrative Agent by Borrower Representative electronically or otherwise without signature, such request, or such Borrowing Base Certificate or other information shall, upon such delivery, be deemed to be signed and certified on behalf of Borrower Representative by a Responsible Officer thereof and constitute a representation to Administrative Agent and Lenders as to the authenticity thereof. Administrative

Agent shall have the right to review and adjust any such calculation of the Borrowing Base in its Permitted

Discretion to reflect exclusions from Eligible Accounts or Eligible Inventory, Reserves pursuant to Section 2.1, declines in value of Collateral or such other matters as are necessary in its Permitted Discretion to determine the Borrowing Base. Administrative Agent shall have the continuing right to establish and adjust Reserves in determining or re-determining the Borrowing Base, pursuant to Section 2.1; provided that any such additional or different criteria shall not be duplicative of, or overlap with, any Reserve that has been established pursuant to this Agreement.

Section 8.6. Compliance Certificate. With each of the financial statements delivered pursuant to Section 8.4(a) and Section 8.4(b), respectively, Borrower Representative shall deliver to Administrative Agent a Compliance Certificate signed by a Responsible Officer of Borrower Representative (i) setting forth in reasonable detail the calculations required to establish that Credit Parties were in compliance with the covenants set forth in Section 9.14 during the period covered in such financial statements and as of the end thereof and (ii) stating that, except as explained in reasonable detail in such certificate (A) all of the representations and warranties of Credit Parties contained in this Agreement and the other Loan Documents are correct and complete in all material respects as at the date of such certificate as if made at such time, except for those that are solely effective as of a particular date, which shall be correct and complete in all material respects as of such particular date, (B) on the date of such certificate, Credit Parties are in compliance in all material respects with all of their respective covenants and agreements in this Agreement and the other Loan Documents, and (C) no Default or Event of Default then exists or existed during the period covered by such financial statements. If such certificate discloses that a representation or warranty is not correct or complete in all material respects, or that a covenant has not been complied with, or that a Default or Event of Default existed or exists, such certificate shall set forth what action Credit Parties have taken or propose to take with respect thereto. Borrower Representative shall also deliver to Administrative Agent a Compliance Certificate signed by a Responsible Officer of Borrower as to Credit Parties' satisfaction of the Payment Condition for Distributions or the Payment Condition for Subordinated Debt, when required, including the pro forma calculations required to satisfy such Payment Condition for Distributions or the Payment Condition for Subordinated Debt and, if applicable, a copy of the tax returns and supporting schedules used in determining the amount of a Tax Distribution.

Section 8.7. Notification to Administrative Agent. Credit Parties shall notify Administrative Agent in writing immediately (a) of the occurrence of any Default or Event of Default, (b) after becoming aware of any event or circumstance, including without limitation any pending or threatened action, suit or claim by any Person, any pending or threatened investigation by a Governmental Authority or any violation of any Applicable Law, that would be treated as a contingent liability of any Credit Party under GAAP and is in an amount in excess of \$100,000 or which could reasonably be expected to result in a Material Adverse Effect, (c) if any Credit Party's board of directors, other governing boards or committees, members or partners authorizes the filing by such Credit Party of a petition in bankruptcy, (d) of the acceleration of the maturity of any Debt owed by any Credit Party or of any default by any Credit Party under any indenture, mortgage, agreement, contract or other instrument to which such Credit Party is a party or by which any of its properties is bound and is in an amount in excess of \$50,000, (e) of any material written notice issued or received under any Material Agreement or with respect to any material license or permit of any Credit Party, and (f) any other development that results or could

reasonably be expected to result in, a Material Adverse Effect. Each notice given shall describe the subject matter thereof in

reasonable detail, shall include a copy of any related documents, and shall specify the action that Credit Parties have taken or propose to take with respect thereto.

Section 8.8. Accounts. If any Borrower becomes aware of any matter adversely affecting the collectability of any Account of any Borrower, including information regarding the Account Debtor's creditworthiness, such Borrower will promptly so advise Administrative Agent. Each Borrower hereby agrees to promptly notify Administrative Agent of all disputes and claims with respect to any Account Debtor of such Borrower. Borrowers shall deliver to Administrative Agent a copy of each credit memorandum upon demand by Administrative Agent.

Section 8.9. Inventory.

(a) All Inventory shall be held for sale in the ordinary course of Credit Parties' business, and is and will be fit for such purpose. Credit Parties will keep the Inventory in good and marketable condition, at their own expense. No Borrower will acquire or accept any Inventory on consignment or approval. No Borrower will sell any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or other repurchase or return basis.

(b) Borrowers will maintain a continuous cycle count inventory system at all times. Borrowers will conduct a physical count of the Inventory at Administrative Agent's request reasonable request, provided that, so long as no Event of Default has occurred and is continuing, Administrative Agent shall not request more than one (1) such physical count in any twelve month period, and within ten (10) days of conducting any physical count, Borrowers shall supply Administrative Agent with a copy of such count.

(c) Borrowers shall promptly report to Administrative Agent in writing any Inventory return by a purchaser where the amount of the Inventory return is in excess of \$50,000. All such returned Inventory shall be segregated from all other Inventory and shall not be reportable as Eligible Inventory unless and until Borrowers demonstrate to Administrative Agent's satisfaction that such returned Inventory is in saleable condition and meets all criteria for Eligible Inventory. Unless otherwise agreed by Administrative Agent, the amount of Borrowers' Accounts relating to such returned Inventory shall be deemed excluded from Eligible Accounts. All returned Inventory shall be subject to Administrative Agent's Liens.

Section 8.10. Equipment and Machinery. Credit Parties will maintain, preserve, protect and keep all Equipment and Machinery in good condition, repair and working order, ordinary wear and tear excepted, and will cause such Equipment and Machinery to be used and operated in a good and workmanlike manner, in accordance with Applicable Law and in a manner which will not make void or cancelable any insurance with respect to such Equipment and Machinery. Credit Parties will promptly make or cause to be made all repairs, replacements and other improvements to or in connection with such Equipment and Machinery which are necessary or desirable in the ordinary course of business or that Administrative Agent may request to such end in its Permitted Discretion. Current maintenance records will be maintained on all Equipment and Machinery and made available to Administrative Agent upon request. Borrowers will promptly furnish to Administrative Agent a statement respecting any loss or damage to any of such Equipment or

Machinery with an aggregate value in excess of \$100,000. No Credit Party will alter or remove any identifying symbol or number on any Equipment or Machinery or permit any of the Collateral which constitutes

Equipment to at any time become so related or attached to, or used in connection with any particular real property so as to become a fixture upon such real property, or to be installed in or affixed to other goods so as to become an accession to such other goods unless such other goods are also included in the Collateral and as to which Administrative Agent has a first priority Lien.

Section 8.11. Insurance. Credit Parties shall, keep and maintain insurance with respect to their business and all Collateral, wherever located, covering liabilities, losses or damages as are customarily insured against by other Persons in the same or similar business and similarly situated or located, and Credit Parties will not reduce or eliminate any of the insurance coverages in effect as of the Agreement Date. All such policies of insurance shall be written by financially sound and reputable insurers acceptable to Administrative Agent. Such insurance shall be with respect to loss, damages, and liability of amounts acceptable to Administrative Agent in its Permitted Discretion and shall include, at a minimum, business interruption, workers compensation, general premises liability, fire, theft, casualty and all risk. Credit Parties will make timely payment of all premiums required to maintain such insurance in force. Credit Parties shall cause Administrative Agent to be an additional insured and loss payee under all policies of insurance covering any of the Collateral, to the extent of Administrative Agent's interest, in form reasonably satisfactory to Administrative Agent, and shall cause a lenders loss payable endorsement to be issued in favor of Administrative Agent in respect of Credit Parties' property insurance. All property insurance proceeds paid to Administrative Agent shall be applied in reduction of the Obligations unless otherwise agreed by Administrative Agent. Credit Parties shall deliver copies of each insurance policy to Administrative Agent upon request.

Section 8.12. Payment of Trade Liabilities, Taxes, Etc. Each Credit Party will (a) timely file all required tax returns including any extensions; (b) timely pay all taxes, assessments, and other governmental charges or levies imposed upon it or upon its income, profits or property before the same become delinquent; (c) timely (and in any event within ninety (90) days past the original invoice billing date), pay all material liabilities owed by it on ordinary trade terms to vendors, suppliers and other Persons providing goods and services used by it in the ordinary course of its business; (d) pay and discharge when due all other material liabilities now or hereafter owed by it, subject to any Subordination Agreement or other payment restrictions set forth herein; and (e) maintain appropriate accruals and reserves for all of the foregoing in accordance with GAAP. A Credit Party may, however, delay paying or discharging any of the foregoing so long as (i) it is in good faith contesting the validity thereof by appropriate proceedings promptly instituted and diligently conducted and has set aside on its books adequate reserves therefor in accordance with GAAP, and (ii) none of the Collateral would become subject to forfeiture, any Lien (other than a Permitted Lien not prior to Administrative Agent's Lien on the Collateral) or loss as a result of such delay or contest.

Section 8.13. Protective Advances. Borrowers hereby agree to immediately pay Administrative Agent for any Protective Advances made by the Lenders on their behalf or in respect of any Collateral and such amounts are due and payable by Borrowers on the date such Protective Advances are so made.

Section 8.14. Evidence of Compliance. Credit Parties will furnish to Administrative Agent at Credit Parties' expense all evidence which Administrative Agent may from time to time reasonably request in writing as to the accuracy and validity of or compliance with all

representations, warranties and covenants made by Credit Parties in the Loan Documents, the satisfaction of all conditions contained therein, and all other matters pertaining thereto.

Section 8.15. Environmental Matters; Environmental Reviews.

(a) Each Credit Party will, and will cause its Subsidiaries to, comply in all material respects with all Environmental Laws now or hereafter applicable to such Person, as well as all contractual obligations and agreements with respect to environmental remediation or other environmental matters, and shall obtain, at or prior to the time required by applicable Environmental Laws, all environmental, health and safety permits, licenses and other authorizations necessary for its operations and will maintain such authorizations in full force and effect, except for those which if not obtained or maintained could not reasonably be expected to result in a Material Adverse Effect. No Credit Party will do anything or permit anything to be done which will subject any of its properties or Subsidiaries to any remedial obligations under, or result in noncompliance with applicable permits and licenses issued under, any applicable Environmental Laws, assuming disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances.

(b) Credit Parties will promptly furnish to Administrative Agent all written notices of violation, orders, claims, citations, complaints, penalty assessments, suits or other proceedings received by any Credit Party, or of which Credit Parties otherwise have notice, pending or threatened against any such Person by any Governmental Authority with respect to any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations in connection with such Person's ownership or use of its properties or the operation of its business.

(c) Credit Parties will promptly furnish to Administrative Agent all requests for information, notices of claim, demand letters, and other notifications, received by any Credit Party in connection with Credit Parties' or their Subsidiaries' ownership or use of their properties or the conduct of its business, relating to potential responsibility with respect to any investigation or clean-up of Hazardous Material at any location.

Section 8.16. Subsidiaries; Fundamental Information. In the event that a direct or indirect Subsidiary of any Credit Party is created or acquired or otherwise comes into existence (whether or not in compliance with the terms hereof), then (a) such Subsidiary shall (i) become a Credit Party (as a Guarantor or Borrower, as elected by Administrative Agent in its Permitted Discretion) through a joinder agreement in form and substance acceptable to Administrative Agent (a "Joinder Agreement"), (ii) execute and deliver to Administrative Agent a Perfection Certificate, (iii) if not joining as a Borrower hereunder, execute and deliver to Administrative Agent a Guaranty Agreement, guarantying all of the Obligations of the Borrowers, and (iv) execute and deliver to Administrative Agent such other documents, instruments and agreements as reasonably required by Administrative Agent in order to pledge such Person's real and personal property to Administrative Agent as security for the Obligations free and clear of any Liens (other than Permitted Liens) and (b) the Credit Party parent of such Subsidiary shall execute and deliver to Administrative Agent a Pledge Agreement and such other documents, instruments and agreements as reasonably required by Administrative Agent in order to pledge the Equity Interest of such new

Subsidiary (and confer such other rights as reasonably required by Administrative Agent in respect

thereof) to Administrative Agent and Lender Parties as security for the Obligations. Upon creation of any new Subsidiary or any change to any fundamental information of any Credit Party from that set forth in Schedule 7.1 hereto, Credit Parties shall promptly (and in any event within three (3) days of such change) deliver to Administrative Agent an updated Schedule 7.1 hereto. Nothing herein shall be deemed to be a consent to the formation or acquisition of a Subsidiary in violation of the terms of this Agreement.

Section 8.17. Further Assurances. Credit Parties shall execute and deliver, or cause to be executed and delivered, to Administrative Agent such documents and agreements, and shall take or cause to be taken such actions, as Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents.

Section 8.18. Maintenance of Properties. Each Credit Party will, and will cause its Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

Section 8.19. Real Property. Within ten (10) days following the acquisition of any real property, the relevant Credit Party will (or will cause each applicable Subsidiary Credit Party to) notify Administrative Agent of such acquisition and, if requested by Administrative Agent will within thirty (30) days after such request, execute and deliver a mortgage and such other requested documentation in form and substance reasonably satisfactory to Administrative Agent, granting to it a Lien upon such real property, subject only to Permitted Liens which are junior in priority to the Lien of Administrative Agent or which are for unpaid but current real estate taxes and assessments.

#### **ARTICLE IX NEGATIVE COVENANTS**

Until termination of this Agreement and the indefeasible payment and performance in full of the Obligations (other than contingent indemnification obligations), each Credit Party agrees, jointly and severally, as follows:

Section 9.1. Fundamental Changes. No Credit Party shall enter into any transaction of merger, reorganization, consolidation, wind-up, liquidation, recapitalization or dissolution (or suffer any liquidation or dissolution) except any Credit Party other than a Borrower may consolidate or merge into another Credit Party which is wholly-owned by one or more of the other Credit Parties so long as Borrowers provide Administrative Agent with ten (10) days prior written notice of such merger or consolidation and deliver the documents evidencing such merger or consolidation and such other documents and agreements as Administrative Agent shall request to modify the Loan Documents to reflect such transaction and to protect Administrative Agent's interest in the Collateral or otherwise. No Credit Party will change its name, identity, jurisdiction of organization, organizational type or location of its chief executive office or principal place of business unless such Credit Party (or Borrower Representative, on behalf of such Credit Party) gives Administrative Agent at least thirty (30) days prior written notice thereof and executes (or causes such applicable Credit Party to execute) all documents and takes (or causes such applicable Credit Party to take) all other actions that Administrative Agent reasonably requests in connection

therewith, including but not limited to the delivery of a legal opinion to Administrative Agent, reasonably satisfactory in form and substance to Administrative Agent.

Section 9.2. Collateral Locations. Except for Inventory in transit to or from a Credit Party in the ordinary course of business, no Credit Party will maintain any Collateral at any location other than those locations listed on Schedule 7.11 unless it (i) gives the Administrative Agent at least thirty (30) days prior written notice thereof (or shorter time period acceptable to the Administrative Agent in its sole discretion), (ii) delivers or causes to be delivered to Administrative Agent all documents that Administrative Agent reasonably requests in connection therewith and, in the case of any leased location, exercises commercially reasonable efforts to deliver to Administrative Agent a Collateral Access Agreement, in accordance with the terms of Section 5.2, signed by the owner of such location, and (iii) takes all other actions that Administrative Agent reasonably requests in connection therewith.

Section 9.3. Use of Proceeds. Borrowers will not use any proceeds of any Loan, directly or indirectly, for any purpose other than (a) on the Agreement Date, to pay transactional fees, costs and expenses incurred in connection with the Loan Documents, (b) on the Agreement Date, to pay off the Debt owed to Refinanced Lender, and (c) for Capital Expenditures and working capital in the ordinary course of Borrowers' business. No Borrower will use any Letter of Credit for any purpose other than for its general corporate purposes. Borrowers will not use any proceeds of any Loan or use any Letter of Credit, directly or indirectly, to purchase or carry margin stock, repay or otherwise refinance indebtedness incurred to purchase or carry Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock. None of the Borrowers, the other Credit Parties or any of their Subsidiaries have used or procured, nor shall they use or procure, the proceeds of any Loan or other extension of credit, or any Letter of Credit, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or any Blocked Person, or in any Sanctioned Entity or (iii) in any manner that would result in the violation of any Sanction, Anti-Corruption Law or Anti-Money Laundering Law by any Person (including any Lender or other individual or entity participating in any transaction).

Section 9.4. Business. No Credit Party will (i) engage, directly or indirectly, in any line of business other than an Approved Line of Business, or (ii) make any expenditure or commitment or incur any obligation or enter into or engage in any transaction except, in each case, in the ordinary course of business.

Section 9.5. Debt. No Credit Party shall incur, create, assume or suffer to exist any Debt, other than the following (collectively, "Permitted Debt"): (a) the Obligations, (b) Subordinated Debt, (c) Debt, existing on the Agreement Date and described on Schedule 7.21, (d) Permitted Equipment Leases and Loans, (e) Debt constituting Permitted Investments, (f) Debt arising from endorsement of instruments or other payment items for deposit, and (g) unsecured Debt incurred in respect of netting services, overdraft protection, and other like services, in each case incurred in the ordinary course of business.

Section 9.6. Subordinated Debt. No Credit Party shall make any payment or prepayment of, or redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to (a) any Debt owing to another Credit Party or an Affiliate of a Credit Party or other direct or

indirect holder of an Equity Interest in a Credit Party, or (b) any Subordinated Debt, provided, however, Precision may make the following payments if the Payment Condition for Subordinated

Debt is satisfied as to such payment: (i) scheduled quarterly payments of interest plus principal in an amount up to \$68,751 each with respect to the Central Steel Seller Loan when due, (ii) payments of the Central Steel Earn-Out when due, (iii) scheduled quarterly payments of interest only with respect to the Kinetic Subordinated Loan when due, and (iv) payments of fees and expenses when due under the Advisory Services Agreement.

Section 9.7. Liens. No Credit Party shall create, incur, assume, or permit to exist any Lien on any property now owned or hereafter acquired by any of them, except Permitted Liens. No Credit Party will enter into or become subject to any agreement whereby any Credit Party is prohibited from, or would otherwise be in default as a result of, creating, assuming, incurring, or suffering to exist, directly or indirectly, any Lien on any of its assets in favor of Administrative Agent or the other Lender Parties.

Section 9.8. Disposition of Property. No Credit Party will transfer, sell, assign, lease, license or otherwise dispose of any of its property, or agree to do any of the foregoing, except any of the following (collectively, "Permitted Dispositions"):

- (a) use of money or cash equivalents, not constituting proceeds of Collateral, in the ordinary course of business and in a manner that is not prohibited by this Agreement;
- (b) sale of Inventory in the ordinary course of business;
- (c) sale or other disposition of Equipment in the ordinary course of business that is obsolete or no longer useable by such Credit Party in the ordinary course of its business;
- (d) sales or assignments of past-due receivables which would not constitute Eligible Accounts to a collection agency in the ordinary course of business, only in connection with the compromise or collection thereof;
- (e) the license, on a non-exclusive basis, by such Credit Party of its Proprietary Rights in the ordinary course of business;
- (f) the granting of Permitted Liens;
- (g) the making of Distributions that are expressly permitted pursuant to Section 9.10; and
- (h) the making of Permitted Investments.

Section 9.9. Sale and Leaseback. No Credit Party shall directly or indirectly enter into any arrangement with any Person providing for any Credit Party to lease or rent property that such Credit Party has sold or will sell or otherwise transfer to such Person.

Section 9.10. Distributions; Capital Contribution; Redemption. No Credit Party shall directly or indirectly declare or make, or incur any liability to make, any Distribution, except (i) Distributions to Precision, and (ii) any Distribution if the Payment Condition for Distributions is

satisfied with respect to such Distribution. No Credit Party will, directly or indirectly: (a) make any capital contribution of any nature to any Person except to Precision, (b) purchase, redeem,

acquire or retire any share of the capital stock of or partnership or limited liability company interests in any other Credit Party (whether such interests are now or hereafter issued, outstanding or created), or (c) cause or permit any reduction or retirement of the capital stock of any other Credit Party.

Section 9.11. Investments. No Credit Party will acquire any assets other than in the ordinary course of business and otherwise meeting the requirements of this Agreement. No Credit Party will make any Investment other than a Permitted Investment.

Section 9.12. Transactions with Affiliates. No Credit Party will sell, lease or otherwise transfer any property or any assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with any other Credit Party or any Affiliate of any Credit Party, except (a) the Advisory Services Agreement and the payment of fees and expenses to the extent permitted by Section 9.6, (b) Distributions to the extent permitted by Section 9.10, and (c) Permitted Investments by Holdings or Precision in the Borrowers.

Section 9.13. New Subsidiaries. No Credit Party shall organize, create or acquire any new Subsidiary without the consent of Administrative Agent (which shall be in Administrative Agent’s Permitted Discretion) and unless such Credit Party and new Subsidiary complies with Section 8.16 hereof.

Section 9.14. Financial Covenant.

(a) The Fixed Charge Coverage Ratio for Borrowers on a consolidated basis, determined as of the last day of each Fiscal Month for the Testing Period then-ended, shall not be less than the ratio set forth in the following table opposite each such Fiscal Month:

<u>Fiscal Month</u>	<u>Minimum Fixed Charge Coverage Ratio</u>
December 2025	0.71 to 1.00
January 2026	0.19 to 1.00
February 2026	0.24 to 1.00
March 2026	0.42 to 1.00
April 2026	0.45 to 1.00
May 2026	0.43 to 1.00
June 2026	0.59 to 1.00
July 2026	0.60 to 1.00
August 2026	0.60 to 1.00
September 2026	0.56 to 1.00
October 2026 and each Fiscal Month thereafter	The Specified FCCR for such Fiscal Month

Section 9.15. Fiscal Year; Accounting Method. No Credit Party will change its Fiscal Year or its method of accounting (other than as required to conform to GAAP).

Section 9.16. Impairment of Security Interest. Credit Parties will not take or fail to take any action which would in any manner impair the value of, or the enforceability of Administrative Agent's security interest in, any Collateral. Further, Credit Parties will not adjust, settle,

compromise, amend or modify any of their rights in the Collateral (other than in the ordinary course of business).

Section 9.17. Prohibited Contracts. Except as expressly provided for in the Loan Documents, no Credit Party will, directly or indirectly, enter into, create, or otherwise allow to exist any contract or other consensual restriction on the ability of any Subsidiary of a Credit Party to: (a) pay dividends or make other distributions to such Credit Party, (b) redeem Equity Interests held in it by such Credit Party, (c) repay loans and other indebtedness owing by it to such Credit Party, or (d) transfer any of its assets to such Credit Party. No Credit Party will amend or permit any amendment to any contract or lease which releases, qualifies, limits, makes contingent or otherwise detrimentally affects the rights and benefits of Administrative Agent or any other Lender Party under or acquired pursuant to any Loan Document.

Section 9.18. Deposit Accounts and Securities Accounts. No Credit Party shall establish or maintain any new Deposit Account or Securities Account unless Administrative Agent shall have received a Control Agreement in respect thereof as soon as practicable after the date such Deposit Account or Securities Account is opened (and not later than the sooner of (i) the date which it is first used by a Credit Party or (ii) 45 days after it is opened), in accordance with the terms of Section 5.3; provided, however, no such Control Agreement shall be required for Excluded Accounts.

Section 9.19. Compliance with ERISA. No Credit Party shall, nor shall it permit any of its Subsidiaries to: (i) maintain, or permit any ERISA Affiliate to maintain, or become obligated to contribute, to any ERISA Benefit Plan other than those ERISA Benefit Plans disclosed on Schedule 7.8, (ii) engage, or knowingly permit any ERISA Affiliate to engage, in any non-exempt “prohibited transaction”, as that term is defined in section 406 of ERISA and Section 4975 of the IRC, (iii) incur, or permit any ERISA Affiliate to incur, any “accumulated funding deficiency”, as that term is defined in Section 302 of ERISA or Section 412 of the IRC, (iv) terminate, or permit any ERISA Affiliate to terminate, any ERISA Benefit Plan where such event could result in any liability of any Credit Party or any ERISA Affiliate or the imposition of a lien on the property of any Credit Party or any ERISA Affiliate pursuant to Section 4068 of ERISA, (v) assume, or permit any ERISA Affiliate to assume any obligation to contribute to any Multiemployer Plan, (vi) incur or permit any ERISA Affiliate to incur, any withdrawal liability to any Multiemployer Plan, (vii) fail promptly to notify the Administrative Agent of the occurrence of any Termination Event, (viii) fail to comply in any material respect, or permit an ERISA Affiliate to fail to comply in any material respect, with the requirements of ERISA or the IRC or other Applicable Law in respect of any ERISA Benefit Plan, (ix) fail to meet, or permit any ERISA Affiliate to fail to meet, all minimum funding requirements under ERISA or the IRC or postpone or delay or allow any ERISA Affiliate to postpone or delay any funding requirement with respect of any ERISA Benefit Plan.

Section 9.20. Reserved.

Section 9.21. Material Agreements. No Credit Party will (a) violate any Material Agreement or suffer to exist any default, termination, or expiration of any Material Agreement, or

(b) revoke, change, amend, or permit any material amendment to any Material Agreement, or (c) revoke, change, amend, or permit any amendment to any Subordinated Loan Document.

Section 9.22. Issuance of Equity Interests. Each Credit Party shall not and shall not permit any Subsidiary to issue any Disqualified Equity Interests.

#### **ARTICLE X EVENT OF DEFAULT**

Section 10.1. Event of Default. Each of the following shall constitute an Event of Default under this Agreement:

- (a) any failure to timely pay any of the Obligations when due;
- (b) any representation or warranty made or deemed made by any Credit Party in any Loan Document, or any financial or other written statement, or any information furnished by such Person to Lenders or Administrative Agent shall be untrue in any material respect as of the date on which made, deemed made or furnished;
- (c) any noncompliance or breach of any requirements contained in:
  - (i) Sections 5.3 through 5.5, Sections 8.1 through 8.7, Sections 8.10 through 8.12, Section 8.16, or Article IX;
  - (ii) Section 8.8, or Section 8.9,and any such failure continues for a period of five (5) days; or
  - (iii) any provision of the Loan Documents other than those listed in this Section 10.1, and such failure continues for a period of fifteen (15) days after the earlier of Borrower's actual knowledge thereof or written notice thereof by Administrative Agent to Borrower Representative;
- (d) any Credit Party shall (i) file a voluntary petition in bankruptcy or otherwise commence any action or proceeding seeking reorganization, arrangement or readjustment of its debts, or consent to or acquiesce in any such petition, action or proceeding; (ii) apply for or acquiesce in the appointment of a receiver, assignee, liquidator, custodian, trustee or similar officer for it or for all or any part of its property; (iii) make an assignment for the benefit of creditors; or (iv) be generally unable to pay (or admit in writing that it is unable to pay) its debts as they become due;
- (e) an involuntary petition shall be filed or an action or proceeding otherwise commenced seeking relief under the Bankruptcy Code in respect of, or seeking any reorganization, arrangement, consolidation or readjustment of the debts of, any Credit Party under any other bankruptcy or insolvency law and any of the following events occur: (i) such Credit Party consents or acquiesces to the institution of such petition or proceeding, (ii) the petition commencing such proceeding is not timely controverted, (iii) the petition commencing such proceeding is not dismissed within thirty (30) calendar days of the filing date thereof, (iv) an interim trustee is appointed to take possession of all or any substantial portion of the property

or assets of, or to operate all or any substantial portion of the business of, such Credit Party or (v) an order for relief shall have been issued or entered therein; provided, that Lenders shall have no obligation to provide

any extension of credit to Borrowers during such thirty (30) day calendar period specified in (iii) above;

(f) a receiver, interim receiver, receiver manager, assignee, liquidator, sequestrator, custodian, trustee or similar officer shall be appointed for any Credit Party or for all or any part of its property or a warrant of attachment, execution or similar process shall be issued against any part of the property of any Credit Party;

(g) except as otherwise permitted by Section 9.1, any Credit Party shall file a certificate of dissolution or shall be liquidated, dissolved or wound-up or shall commence or have commenced against it any action or proceeding for dissolution, winding-up or liquidation, or shall take any action in furtherance thereof;

(h) any default, event of default or other breach shall occur with respect to any Debt for borrowed money (other than the Obligations) of any Credit Party in an outstanding principal amount which exceeds \$100,000 and such default shall continue for more than the period of grace, if any, therein with respect thereto, if the effect thereof (with or without the giving of notice or further lapse of time or both) is to accelerate, or to permit the holder of any such Debt to accelerate, the maturity of any such Debt, or any such Debt shall be declared due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof;

(i) one or more judgments, orders, decrees or arbitration awards is entered against any Credit Party involving in the aggregate liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) of \$100,000 or more and either (i) there is a period of 30 consecutive days at any time after the entry of such judgment, order, decree or award during which (1) the same is not discharged, satisfied, vacated or bonded pending appeal or (2) a stay of enforcement thereof is not in effect or (ii) enforcement proceedings are commenced upon such judgment, order, decree or award;

(j) the filing or commencement of any attachment, sequestration, garnishment, execution or other Lien (other than a Permitted Lien) or action against or with respect to any Collateral;

(k) any Loan Document ceases to be in full force and effect or any Lien with respect to any material portion of the Collateral intended to be secured thereby ceases to be, or is not, valid, perfected (for any reason other than the failure of Administrative Agent to file a financing statement or continuation thereof to maintain perfection) and prior to all other Liens (other than Permitted Liens that are expressly allowed to be prior pursuant to the terms hereof) or is terminated, revoked or declared void, or any Loan Document shall terminate (other than in accordance with its terms with the written consent of Administrative Agent) or become void or unenforceable, or the validity or enforceability of any Loan Document shall be contested by any Credit Party, or any Affiliate of a Credit Party;

(l) any event or circumstance occurs which, in the Permitted Discretion of Administrative Agent exercised in good faith, causes Administrative Agent to suspect that any Credit Party has engaged in fraudulent activity;



(m) the occurrence of a Material Adverse Effect;

(n) the occurrence of a Change of Control; or

(o) a Termination Event occurs or any Credit Party or any ERISA Affiliate fails to pay when due, after expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan.

Section 10.2. Cure Right. Notwithstanding anything to the contrary contained in Article 10, in the event that the Credit Parties fail to comply with the Financial Covenant as of the end of any Fiscal Month, then the Permitted Holders shall have the right, no later than the day on which the financial statements are required to be delivered for such Fiscal Month pursuant to Section 8.4(b), to issue common Equity Interests to Permitted Holders in exchange for cash, which shall be in an aggregate amount equal to the minimum amount which, when added to EBITDA, is sufficient to cure such Financial Covenant failure (such minimum amount, the "Cure Amount"). The exercise of such right is referred to herein as the "Cure Right". The cash proceeds of any issuance of such Equity Interests pursuant this Section shall be contributed in cash to Precision and be included in the calculation of EBITDA for such Fiscal Month solely for purpose of determining compliance with the Financial Covenant. Upon the receipt by Administrative Agent of the Cure Amount, the Financial Covenant shall be recalculated giving effect to the following pro forma adjustments:

(i) EBITDA shall be increased for such Fiscal Month, solely for the purpose of measuring the Financial Covenant for the applicable Testing Period, and not for any other purpose under this Agreement, by an amount equal to the Cure Amount;

(ii) the Credit Parties shall be deemed to have satisfied the requirements of the Financial Covenant as of the date the Cure Amount is received by Administrative Agent, and the Event of Default occurring from the violation of the Financial Covenant shall thereafter be deemed cured for all purposes of this Agreement and the other Loan Documents; and

(iii) the Cure Amount shall be deemed to be part of EBITDA for such Fiscal Month and the following eleven (11) Fiscal Months thereafter.

(b) Notwithstanding anything herein to the contrary, (i) Cure Amounts received pursuant to any exercise of the Cure Right shall be disregarded for any calculation of EBITDA required hereunder for any purpose other than compliance with the Financial Covenant as provided in this Section 10.2, (ii) the Cure Right shall not be exercised more than two (2) times during any Testing Period or in consecutive Fiscal Months unless otherwise approved by Administrative Agent, (iii) Cure Amounts shall be applied to the Loans pursuant to Section 4.7(c), (iv) the Cure Amount may not exceed the amount necessary to cure the Financial Covenant violation for the applicable Fiscal Month unless otherwise approved by Administrative Agent, and (v) from the day on which the violation of the Financial Covenant occurs until the receipt by Administrative Agent of the applicable Cure Amount, the Lenders shall not be required to make any Loans hereunder.



## **ARTICLE XI REMEDIES**

### Section 11.1. Obligations.

(a) If an Event of Default exists and is continuing, Administrative Agent (on behalf of Lender Parties) may and, upon request of Required Lenders, shall do any one or more of the following, at any time or times during such existence of an Event of Default and in any order, without notice to or demand on any Credit Party: (i) reduce the Term Cap Ex Commitment, the Revolving Credit Limit, or the advance rates used in computing the Borrowing Base, (ii) restrict the amount of or refuse to make Loans, (iii) terminate the Lenders' Commitment to make Revolving Loans hereunder and LC Issuer's obligation to issue Letters of Credit or otherwise extend credit hereunder, (iv) declare the Obligations to be immediately due and payable and (v) pursue its other rights and remedies under the Loan Documents or otherwise under Applicable Law.

(b) Notwithstanding anything to the contrary contained in Section 11.1(a) and in addition to the remedies set forth therein, upon the occurrence of any Event of Default described in Sections 10.1(d), 10.1(e), 10.1(f) or 10.1(g), the Lenders' Commitment to make Revolving Loans and LC Issuer's obligation to issue Letters of Credit or otherwise extend credit hereunder shall automatically and immediately terminate and all Obligations shall automatically become immediately due and payable without notice or demand of any kind.

Section 11.2. Collateral. If an Event of Default has occurred and is continuing, Administrative Agent shall have, in addition to all other rights of Administrative Agent, the rights and remedies of a secured party under the UCC. At any time when an Event of Default is in existence: (i) Administrative Agent may notify Account Debtors to make payment directly to Administrative Agent, for the account of Lender Parties, or to such address as Administrative Agent may specify, and enforce, settle or adjust Accounts, General Intangibles or Chattel Paper with Account Debtors or obligors thereon for amounts and upon terms which Administrative Agent considers appropriate, and in such case, Administrative Agent will credit the Obligations with only the net amounts received by Administrative Agent in payment thereof after deducting all Lender Expenses incurred or expended in connection therewith; (ii) Administrative Agent may take possession of the Collateral and keep it on Credit Parties' premises or remove all or any part of it to another location selected by Administrative Agent; (iii) Administrative Agent may issue such default or other notices under the Control Agreements and Collateral Access Agreements as Administrative Agent deems appropriate, (iv) on request by Administrative Agent, Credit Parties will, at Credit Parties' cost, assemble the Collateral and make it available to Administrative Agent at a place reasonably convenient to Administrative Agent; and (v) Administrative Agent may, to the fullest extent permitted by Applicable Law, sell or otherwise dispose of any Collateral at public or private sales, for cash, upon credit or otherwise, at such prices and upon such terms as Administrative Agent deems appropriate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Administrative Agent will give the appropriate Credit Party reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. For this purpose, it is agreed that at least ten (10) days' notice of the time of sale or

other intended disposition of the Collateral delivered in accordance with Section 14.6 shall be deemed to

be reasonable notice in conformity with the UCC. Administrative Agent may adjourn or otherwise reschedule any public sale by announcement at the time and place specified in the notice of such public sale, and such sale may be made at the time and place as so announced without necessity of further notice. Administrative Agent shall not be obligated to sell or dispose of any Collateral, notwithstanding any prior notice of intended disposition. If any Collateral is sold on terms other than payment in full at the time of sale, no credit shall be given in reduction of the Obligations until Administrative Agent receives payment in cash, and if any such buyer defaults in payment, Administrative Agent may resell the Collateral without further notice to Credit Parties. In the event Administrative Agent seeks to take possession of all or any portion of the Collateral by judicial process, each Credit Party waives the posting of any bond, surety or security with respect thereto which might otherwise be required. Each Credit Party agrees that Administrative Agent has no obligation to preserve rights to the Collateral or marshal any Collateral for the benefit of any Person. Administrative Agent is hereby granted a license or other right to use, without charge, each Credit Party's Proprietary Rights in completing production of, advertising or selling any Collateral, and each Credit Party's rights under all licenses shall inure to Administrative Agent's benefit for such purpose. The proceeds of any sale or disposition of Collateral shall be applied to the Obligations as set forth in Section 4.7. The rights and remedies of the Administrative Agent and the other Lender Parties under this Agreement and the other Loan Documents shall be cumulative. The Administrative Agent and each other Lender Party shall have all other rights and remedies not inconsistent herewith as provided under the UCC, other Applicable Law or in equity.

Section 11.3. Injunctive Relief. All cash proceeds of Collateral from time to time existing, including without limitation collections and payments of Accounts, whether consisting of cash, checks or other similar items, at all times shall be subject to an express trust for the benefit of Administrative Agent. All such proceeds shall be subject to Administrative Agent's Liens. Except as may be specifically allowed otherwise by this Agreement (including use of cash not in violation of the terms hereof distributed to Borrowers by Administrative Agent pursuant to Section 4.7), Credit Parties are expressly prohibited from using, spending, retaining or otherwise exercising any dominion over such proceeds. Each Credit Party acknowledges and agrees that an action for damages against a Credit Party for any breach of such prohibitions shall not be an adequate remedy at law. In the event of any such breach, each Credit Party agrees to the fullest extent allowed by law that Administrative Agent shall be entitled to injunctive relief to restrain such breach and require compliance with the requirements of this Agreement.

Section 11.4. Setoff. If an Event of Default shall have occurred and be continuing, Administrative Agent and each other Lender Party is hereby authorized at any time and from time to time to the fullest extent permitted by Applicable Law to set off and apply any and all cash and any and all deposits (whether general or special, time or demand, provisional or final) at any time held, and any obligations at any time owing, by such Lender Party to or for the credit or the account of any Borrower or other Credit Party against any Obligations held by such Lender Party, irrespective of whether or not such Lender Party shall have made any demand under the Loan Documents and regardless of whether such Obligations are contingent or unmatured. The rights of each Lender Party under this Section 11.4 are in addition to other rights and remedies (including other rights of setoff) that such Lender Party may have. Each Lender Party agrees to notify the Borrower Representative and the Administrative Agent promptly after any such setoff and

application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 11.5. Appointment of Receiver.

(a) Upon the occurrence and during the continuation of an Event of Default, Administrative Agent shall be entitled to the immediate appointment of a receiver for all or part of the Collateral, whether such receivership is incidental to a proposed sale of the Collateral or otherwise. In such event, Administrative Agent may take proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral or of any part thereof or may, to the extent permitted by Applicable Law, by instrument in writing appoint any Person to be a receiver of the Collateral or of any part thereof and may remove any receiver so appointed by Administrative Agent and appoint another in that Person's stead. Any such receiver appointed by instrument in writing shall, to the extent permitted by Applicable Law, have all of the rights, remedies, benefits and powers of Administrative Agent under this Agreement and, without limiting the generality of the foregoing, any such receiver (or Administrative Agent) shall have the power to, to the full extent permitted by Applicable Law:

- (i) take possession of the Collateral or any part thereof;
- (ii) carry on or concur in carrying on all or any part or parts of the business of the Credit Parties relating to the Collateral;
- (iii) file such proofs of claim and other documents as may be necessary or advisable in order to have such receiver's claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to Credit Parties;
- (iv) borrow money required for the seizure, repossession, retaking, repair, insurance, maintenance, preservation, protection, collection, preparation for disposition, disposition or realization of the Collateral or any part thereof and for the enforcement of this Agreement or for the carrying on of the business of Borrowers on the security of the Collateral in priority to the security interest created under this Agreement; and
- (v) sell, lease or otherwise dispose of, or concur in the sale, lease or other disposition of, the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine.

(b) Administrative Agent may from time to time fix a commercially reasonable remuneration of such receiver. Administrative Agent shall not in any way be responsible for any misconduct or negligence of any such receiver. Each Borrower hereby consents to the appointment of any such a receiver without bond, to the full extent permitted by Applicable Law.

**ARTICLE XII**  
**TERM AND TERMINATION**

Section 12.1. Term and Termination. Upon the effective date of termination of this Agreement for any reason, Lenders' obligation to make Loans shall automatically terminate and all

Obligations shall become immediately due and payable in full. Notwithstanding the termination of this Agreement, until all Obligations (other than contingent indemnity obligations for which no demand has been made) are indefeasibly paid in cash and performed in full, Credit Parties shall remain bound by the terms of this Agreement and Administrative Agent and the other Lender Parties shall retain all Liens and all rights and remedies under the Loan Documents.

### **ARTICLE XIII ADMINISTRATIVE AGENT**

Section 13.1. Appointment and Authority. Each Lender hereby irrevocably appoints Legacy to act on its behalf as Administrative Agent hereunder and under the other Loan Documents, in the capacity of collateral and administrative agent, and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article XIII are solely for the benefit of Administrative Agent and the other Lender Parties, and no Borrower or other Credit Party shall have any rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

#### Section 13.2. Exculpatory Provisions.

(a) Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders; provided, that Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Credit Party or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity.

(b) Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of Required Lenders (or as Administrative Agent shall

believe in good faith shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court of competent jurisdiction). Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to Administrative Agent by Borrower Representative or a Lender.

(c) Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

**(d) EACH OF THE LENDER PARTIES (NOT INCLUDING ADMINISTRATIVE AGENT) (COLLECTIVELY THE “LP INDEMNITORS”), ON A RATABLE BASIS, SHALL, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, INDEMNIFY AND DEFEND THE ADMINISTRATIVE AGENT, ITS AFFILIATES AND EACH OF THEIR EQUITY INTEREST OWNERS, OFFICERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AGENTS AND REPRESENTATIVES (COLLECTIVELY, THE “AGENT PARTIES”), TO THE EXTENT NOT REIMBURSED BY OR ON BEHALF OF BORROWERS AND WITHOUT LIMITING THE OBLIGATION OF BORROWERS TO DO SO, FROM AND AGAINST ANY AND ALL INDEMNIFIED CLAIMS, INCLUDING THOSE INDEMNIFIED CLAIMS WHICH RELATE TO OR ARISE OUT OF ANY AGENT PARTY’S OWN**

**NEGLIGENCE**; provided, that no LP Indemnitor shall be liable for the payment to any Agent Party of any portion of such Indemnified Claims resulting solely from such Agent Party’s gross negligence or willful misconduct, nor shall any LP Indemnitor be liable for the obligations of any Defaulting Lender in failing to make a Revolving Loan or other extension of credit hereunder.

Section 13.3. Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, Administrative Agent may presume that such condition is satisfactory to such Lender

(i) if such condition is satisfactory to Required Lenders, or (ii) unless Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan.

Administrative Agent may consult with legal counsel (who may be counsel for Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 13.4. Non-Reliance on Administrative Agent and other Lenders. Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 13.5. Rights as a Lender. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Credit Party or any Subsidiary or other Affiliate thereof as if such Person were not Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 13.6. Sharing of Set-Offs and Other Payments. Each Lender Party agrees that if it shall, whether through the exercise of rights under the Loan Documents or rights of banker’s lien, set off, or counterclaim against any Credit Party or otherwise, obtain payment of a portion of the aggregate Obligations owed to it, taking into account all distributions made by Administrative Agent under Section 4.7, causes such Lender Party to have received more than it would have received had such payment been received by Administrative Agent and distributed pursuant to Section 4.7, then (a) it shall be deemed to have simultaneously purchased and shall be obligated to purchase interests in the Obligations as necessary to cause all Lender Parties to share ratably in all payments as provided for in Section 4.7, and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that Administrative Agent and all Lender Parties share ratably in all payments of Obligations as provided in Section 4.7; provided, however, that nothing herein contained shall in any way affect the right of any Lender Party to obtain payment (whether by exercise of rights of banker’s lien, set-off or counterclaim or otherwise) of indebtedness other than the Obligations. Each Credit Party expressly consents to the foregoing arrangements and agrees that any holder of any such interest or other participation in the Obligations, whether or not acquired pursuant to the foregoing arrangements, may to the fullest extent permitted by Applicable Law exercise any and all rights of banker’s lien, set-off, or counterclaim as fully as if such holder were a holder of the Obligations in the amount of such interest or other participation. If all or any part of any funds transferred pursuant to this Section is thereafter recovered from the seller under this Section which received the same, the purchase provided for in this Section shall be deemed to have been rescinded to the extent of such recovery, together with interest, if any, if interest is required pursuant to the order of a tribunal order to be paid on account of the possession of such funds prior to such recovery.

Section 13.7. Investments. Whenever Administrative Agent in good faith determines that it is uncertain about how to distribute to Lender Parties any funds which it has received, or

whenever Administrative Agent in good faith determines that there is any dispute among Lender Parties about

how such funds should be distributed, Administrative Agent may choose to defer distribution of the funds which are the subject of such uncertainty or dispute. If Administrative Agent in good faith believes that the uncertainty or dispute will not be promptly resolved, or if Administrative Agent is otherwise required to invest funds pending distribution to Lender Parties, Administrative Agent shall invest such funds pending distribution; all interest on any such investment shall be distributed upon the distribution of such investment and in the same proportion and to the same Persons as such investment. All moneys received by Administrative Agent for distribution to Lender Parties (other than to the Person who is Administrative Agent in its separate capacity as a Lender Party) shall be held by Administrative Agent pending such distribution solely as Administrative Agent for such Lender Parties, and Administrative Agent shall have no equitable title to any portion thereof.

Section 13.8. Resignation of Administrative Agent. Administrative Agent may at any time give notice of its resignation to the Lenders and Borrower Representative. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation or such earlier date as shall be agreed to by the Required Lenders (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the LC Issuer appoint a successor Administrative Agent; provided, that in no event shall any successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date. On and as of the Resignation Effective Date: (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such Collateral until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owing to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent shall be made by or to the newly appointed Administrative Agent (or, if no new Administrative Agent shall have been appointed, to each Lender Party directly until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph). Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent. The fees payable by Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrowers and such successor. After the retiring Administrative Agent’s resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 14.5 and 14.10 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 13.9. Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent.

and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of Administrative Agent and any such sub-agent, and shall

apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

Section 13.10.Collateral Matters.

(a) The Lender Parties hereby irrevocably authorize and direct Administrative Agent, at its option and in its sole discretion, to (i) release any Lien on any Collateral (1) upon the termination of the Commitments and payment and satisfaction in full of all Obligations (other than contingent indemnification Obligations and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to Administrative Agent and LC Issuer shall have been made)), (2) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if Borrowers certify to Administrative Agent that the sale or disposition is permitted under this Agreement or the other Loan Documents (and Administrative Agent may rely conclusively on any such certificate, without further inquiry), (3) constituting property in which any Credit Party or its Subsidiaries owned no interest at the time the Administrative Agent's Lien was granted nor at any time thereafter, or (4) constituting property leased to any Credit Party or its Subsidiaries under a lease that has expired or is terminated in a transaction permitted under this Agreement, or (ii) release any Guarantor from its obligations under a Guaranty Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted herein. Except as provided above, Administrative Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of (y) if the release is of all or substantially all of the Collateral, all of the Lenders, or (z) otherwise, the Required Lenders. Upon request by Administrative Agent or Borrowers at any time, the Lenders will confirm in writing Administrative Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 13.10; provided, however, that (1) Administrative Agent shall not be required to execute any document necessary to evidence such release on terms that, in Administrative Agent's opinion, would expose Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of Borrowers in respect of) all interests retained by Borrowers, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(b) Administrative Agent shall have no obligation whatsoever to any of the Lender Parties to assure that the Collateral exists or is owned by the Credit Parties or their Subsidiaries or is cared for, protected, or insured or has been encumbered, or that the Administrative Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Administrative Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any

act, omission, or event related thereto, subject to the terms and conditions contained herein, Administrative Agent may act in any manner it may deem appropriate, in its sole discretion given Administrative Agent's own interest in the Collateral in its capacity as one of the Lenders and as

LC Issuer and that Administrative Agent shall have no other duty or liability whatsoever to any other Lender Party as to any of the foregoing, except as otherwise provided herein.

Section 13.11. Agency for Perfection. Administrative Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting the Administrative Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the UCC can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Administrative Agent thereof, and, promptly upon Administrative Agent's request therefor shall deliver possession or control of such Collateral to Administrative Agent or in accordance with Administrative Agent's instructions.

Section 13.12. Concerning the Collateral and Related Loan Documents. Each Lender Party authorizes and directs Administrative Agent to enter into this Agreement and the other Loan Documents. Each Lender Party agrees that any action taken by Administrative Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Administrative Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

#### **ARTICLE XIV MISCELLANEOUS**

Section 14.1. Waivers & Amendments. No waiver or amendment of any provision of any Loan Document and no consent to any departure therefrom shall be effective unless it is in writing and signed as provided below in this Section, and then such waiver, amendment or consent shall be effective only in the specific instances and for the purposes for which given and to the extent specified in such writing. No waiver, consent, release, modification or amendment of or supplement to this Agreement or the other Loan Documents shall be valid or effective against any party hereto unless the same is in writing and signed by (i) if such party is a Credit Party, by such Credit Party, (ii) if such party is Administrative Agent, by Administrative Agent, (iii) if such party is LC Issuer, by LC Issuer (or, by Administrative Agent on behalf of such LC Issuer) and (iv) if such party is a Lender, by such Lender or by Administrative Agent on behalf of Lenders with the written consent of Required Lenders. Notwithstanding anything to the contrary herein, Administrative Agent shall not, without the prior consent of each individual Lender, execute and deliver on behalf of such Lender any waiver or amendment which would: (1) increase the maximum amount which such Lender is committed hereunder to lend, (2) reduce any principal, interest or fees payable to such Lender hereunder, (3) extend the Maturity Date or postpone any date fixed for any payment of any such fees, principal or interest, (4) amend the definition herein of "Required Lenders" or otherwise change the aggregate amount of Percentage Shares which is required for Administrative Agent, Lenders or any of them to take any particular action under the Loan Documents, (5) release any Borrower from its obligation to pay such Lender's Obligations, (6) release all or substantially all of the Collateral, except for such releases relating to sales or dispositions of property permitted by the Loan Documents, or (7) amend this Section 14.1. Anything in this Section 14.1 to the contrary notwithstanding, (A) any amendment contemplated by Section 2.13(a)(iii) of this Agreement in connection with a Benchmark Transition Event shall

be effective as contemplated by such Section 2.13(a)(iii) hereof and (B) any amendment contemplated by Section 3.1(d) of this Agreement in connection with the use or administration of Term SOFR shall be effective as contemplated by such Section 3.1(d).

Section 14.2. Severability. The illegality or unenforceability of any provision of any Loan Document shall not in any way affect or impair the legality or enforceability of the remaining provisions thereof.

Section 14.3. Governing Law; Venue.

**(a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES. THIS AGREEMENT HAS BEEN EXECUTED OR COMPLETED AND/OR IS TO BE PERFORMED IN TEXAS, AND IT AND ALL TRANSACTIONS HEREUNDER OR PURSUANT HERETO SHALL BE GOVERNED AS TO INTERPRETATION, VALIDITY, EFFECT, RIGHTS, DUTIES AND REMEDIES OF THE PARTIES THEREUNDER AND IN ALL OTHER RESPECTS BY THE LAWS OF TEXAS, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.**

**(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT BY A CREDIT PARTY IN THE COURTS OF THE STATE OF TEXAS OR IN ANY FEDERAL OR STATE COURT SITTING IN COLLIN COUNTY, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH CREDIT PARTY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS FOR ANY SUCH ACTION OR PROCEEDING. EACH CREDIT PARTY, ADMINISTRATIVE AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO VENUE ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH JURISDICTION. NOTWITHSTANDING THE FOREGOING, ADMINISTRATIVE AGENT SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST ANY CREDIT PARTY OR ITS PROPERTY IN ANY JURISDICTION WHERE SUCH CREDIT PARTY OR SUCH PROPERTY IS LOCATED OR WHERE JURISDICTION IS REQUIRED OR APPROPRIATE FOR THE EXERCISE OF REMEDIES WITH RESPECT TO THE COLLATERAL.**

Section 14.4. WAIVER OF JURY TRIAL. EACH CREDIT PARTY, ADMINISTRATIVE AGENT AND EACH OTHER LENDER PARTY IRREVOCABLY WAIVES ITS RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY KIND BROUGHT BY ANY SUCH PERSON AGAINST ANOTHER, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH CREDIT PARTY, ADMINISTRATIVE AGENT AND EACH OTHER LENDER PARTY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER

AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH

SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, WHETHER OR NOT SPECIFICALLY SET FORTH THEREIN.

Section 14.5. Fees and Expenses. Credit Parties agree to pay to Administrative Agent and Lenders, on demand, all costs, fees and expenses that Administrative Agent or the other Lender Parties, as the case may be, pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, perfection and termination of this Agreement or any of the other Loan Documents, including: (a) reasonable attorney's fees and costs for preparation, negotiation and closing of the Loan Documents and any amendment, supplement, waiver, consent or subsequent closing in connection with the Loan Documents and the transactions contemplated thereby, (b) ongoing administration of the Loan Documents, including without limitation, reasonable attorney's fees and costs incurred in consultation with attorneys, (c) costs and expenses of lien and title searches, (d) taxes, fees and other charges for filing financing statements and other actions to perfect, protect and continue Administrative Agent's Liens, (e) sums paid or incurred to pay any amount or take any action required of any Credit Party under the Loan Documents that Credit Parties fail to pay or take, (f) costs of appraisals, inspections and verifications of the Collateral, including travel, lodging, and meals for inspections of the Collateral and Credit Parties' operations by Administrative Agent, (g) costs and expenses of disbursing Loans and administering cash management of Collateral proceeds, including collection accounts and lock-boxes, (h) costs and expenses of preserving and protecting the Collateral, (i) costs, fees and expenses, including reasonable attorney's fees and costs, paid or incurred to enforce Administrative Agent's Liens, sell or dispose of the Collateral, and obtain payment of the Obligations, (j) costs and expenses, including reasonable attorney's fees and costs, paid or incurred to defend any claims made or threatened against Administrative Agent or any other Lender Party arising out of the transactions contemplated by the Loan Documents, and (k) costs and expenses incurred by Administrative Agent and any LC Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder (all such costs, expenses and fees described in this Section 14.5, the "Lender Expenses"). The foregoing shall not limit any other provisions of the Loan Documents regarding costs and expenses to be paid by any Credit Party.

Section 14.6. Notices. Except as otherwise expressly provided in any Loan Document, all notices, demands and requests that any party is required to give to any other party shall be in writing and shall become effective (a) upon personal delivery or upon delivery by any nationally recognized courier service, (b) three (3) days after it shall have been mailed by United States mail, first class, certified or registered, with postage prepaid, or (c) when properly transmitted by email, in each case addressed to the party to be notified as follows:

If to Administrative Agent (including in its capacity as a Lender) and to LC Issuer:

Legacy Corporate Lending, LLC 7500 Dallas Parkway, Suite 265  
Plano, TX 75024

Email: pmartin@legacyabl.com Phone: 214-718-5007

Attention: Portfolio Manager, URGENT With a copy to:

Frost Brown Todd LLP

301 East Fourth Street, Suite 3300

Cincinnati, Ohio 45202 Attention: Michael O'Grady Telephone: (513)

651-6482 Email: mjogrady@fbtlaw.com

If to a Lender: To the address set forth below such Lender's name on Schedule 1.1 hereto

If to Borrowers, to Borrower Representative, as follows: Precision Industries, Inc.

99 Berry Road

Washington, PA 15301 Attention: Thomas R. Sedlak Telephone:

724-229-4334 Email: tsedlak@pmsteel.com

or to such other address as each party may designate for itself by like notice.

Section 14.7. Waiver of Notices. Unless otherwise expressly provided in any Loan Document, each Credit Party hereby waives presentment and notice of demand or dishonor and protest, notice of intent to accelerate the Obligations and notice of acceleration of the Obligations, as well as any and all other notices to which it might otherwise be entitled. No notice to or demand on any Credit Party which Administrative Agent or the other Lender Parties may elect to give shall entitle such Credit Party or any other Credit Party to any or further notice or demand in the same, similar or other circumstances.

Section 14.8. Non-applicability of Chapter 346 of Texas Finance Code. Except for the opt-out provision of Section 346.004 thereof, the provisions of Chapter 346 of the Texas Finance Code (regulating certain revolving credit loans and revolving tri-party accounts) shall not be applicable to this Agreement, any other Loan Document or the Loans.

Section 14.9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Credit Parties, Administrative Agent and the other Lender Parties and their respective representatives, successors, and assigns, provided, that no interest herein may be assigned, and no obligation may be delegated, by any Credit Party without prior written consent of Administrative Agent. Subject to Section 14.13, the rights and benefits of Lender Parties under

the Loan Documents shall inure to any Person acquiring any interest in the Obligations from such Lender Party, unless otherwise agreed by such Lender Party and any such Person.

Section 14.10.INDEMNITY BY CREDIT PARTIES. **EACH CREDIT PARTY AGREES TO DEFEND, INDEMNIFY AND HOLD EACH INDEMNIFIED PERSON HARMLESS FROM AND AGAINST ANY AND ALL INDEMNIFIED CLAIMS INCLUDING THOSE INDEMNIFIED CLAIMS WHICH RELATE TO OR ARISE OUT OF ANY INDEMNIFIED PERSON’S OWN NEGLIGENCE**, provided, that no Credit Party shall have any obligation hereunder to any Indemnified Person with respect to Indemnified Claims resulting solely and directly from the willful misconduct or gross negligence of such Indemnified Person. The agreements in this Section shall survive any termination of this Agreement or payment of all Obligations.

Section 14.11.Limitation of Liability. To the fullest extent permitted by Applicable Law, no claim may be made by any party hereto against any other party hereto or any of their Affiliates, directors, officers, members, managers, stockholders, employees or agents (and their respective successors and assigns) for any special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof, or any act, omission or event occurring in connection therewith, and each party hereto hereby waives, releases and agrees not to sue upon any claim for such damages, whether or not accrued and whether or not known or suspected to exist in its favor; provided, that nothing in this Section 14.11 shall relieve any Credit Party of any obligations it may have to indemnify an Indemnified Person against special, indirect, or consequential Indemnified Claims by a third party.

Section 14.12.Continuing Rights of Lenders in Respect of Obligations. In the event any amount from time to time applied in reduction of the Obligations is subsequently set aside, avoided, declared invalid or recovered by any Credit Party or any trustee or in bankruptcy, or in the event any Lender Party is otherwise required to refund or repay any such amount pursuant to any Applicable Law, then the Obligations shall automatically, to the fullest extent permitted by Applicable Law, be deemed to be revived and increased to the extent of such amount and the same shall continue to be secured by the Collateral as if such amount had not been so applied.

Section 14.13.Assignments.

(a) A Lender may at any time sell, assign, delegate or otherwise transfer all or part of the rights and duties of such Lender under this Agreement and the other Loan Documents to any of the following Persons (an “Assignee”), in each case subject to any applicable consent requirements specified herein: (i) any Lender or any Affiliate of a Lender or (ii) any other Person with the prior written consent of the Borrowers (which consent may be given by Borrower Representative on behalf of all Borrowers and shall not be unreasonably withheld, conditioned or delayed; provided, however, Borrowers shall be deemed to have given their consent unless they (or Borrower Representative, on behalf of all Borrowers) shall object thereto by written notice to the Administrative Agent within five (5) Business Days after notice thereof has actually been delivered by the Administrative Agent or the assigning Lender to Borrower Representative); provided that, the consent of Borrowers shall not be required under this sub-clause (ii) if an Event of Default has occurred and is continuing or for any such sale, assignment or transfer in

connection with a sale of all or substantially all of the assets of a Lender or all or substantially all of the loans or asset based loans of a Lender. Notwithstanding anything to the contrary contained herein, the

prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender or an Affiliate of a Lender. Subject to the provisions of Section 14.14, each Credit Party hereby authorizes each Lender to disseminate any information it has pertaining to the Obligations, including without limitation, complete and current credit information on the Credit Parties and any of their principals to any Assignee or prospective Assignee. Each Credit Party hereby acknowledges and agrees that any assignment will give rise to a direct obligation of Borrowers and each other Credit Party to the Assignee and that the Assignee shall be considered to be a Lender hereunder.

(b) Administrative Agent, acting solely for this purpose as an agent of Borrowers, shall maintain at one of its offices a copy of each assignment delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrowers, Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(c) Except as otherwise provided herein, a Lender shall, as between Borrowers and such Lender, be relieved of any of its obligations hereunder as a result of any sale, assignment, delegation or other transfer of all or any part of the Loans or other Obligations owed to such Lender. Such Lender may furnish any information concerning Credit Parties from time to time to Assignees and participants and to any Affiliate of such Lender or its parent company.

(d) Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, a Lender may pledge, or grant a security interest in, all or any portion of its rights and other obligations under or relating to Loans under this Agreement and the other Loan Documents to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve lender; provided that, no such pledge or grant of a security interest shall release the transferor Lender from any of its obligations hereunder or under any other Loan Document.

(e) Each Lender shall have the right at any time, without the consent of Borrowers, to sell one or more participant rights to any Person (other than to a Borrower, any other Credit Party, or any Credit Party's Affiliates or Subsidiaries) in all or any part of its Commitments, Loans or in any other Obligation. The holder of any such participation shall not be entitled to require such Lender to take or omit to take any action hereunder or under the other Loan Documents except with respect to any amendment, modification or waiver that would extend the final scheduled maturity of any Loan in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the

consent of any participant if the participant's participation is not increased as a result thereof). Borrowers agree that each

participant shall be entitled to the benefits of Sections 3.3 and 3.5 (subject to the requirements and limitations therein) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 14.3(a); provided that such participant shall not be entitled to receive any greater payment under Sections 3.3 or 3.5 with respect to any participation than such participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Applicable Law that occurs after the participant acquired the applicable participation. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Borrowers, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided, that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

#### Section 14.14. Confidentiality.

(a) Each Credit Party agrees, and agrees to cause each of its Affiliates, (i) not to transmit or disclose any provision of any Loan Document to any Person (other than (1) to such Credit Party's employees, auditors, advisors, consultants, Affiliates and counsel, (2) as may be required by statute judicial decision, or judicial or administrative order, rule or regulations, (3) as may be agreed in advance by Credit Parties and Administrative Agent or as requested or required by any Governmental Authority pursuant to any subpoena or other process, (4) as to any such information that is or becomes generally available to the public (other than as a result of a prohibited disclosure by any Credit Party) or (5) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents) without Administrative Agent's prior written consent, (ii) to inform all Persons of the confidential nature of the Loan Documents and to direct them not to disclose the same to any other Person and to require each of them to be bound by these provisions. Each Credit Party agrees to submit to Administrative Agent and Administrative Agent reserves the right to review and approve all materials that such Credit Party or any of its Affiliates prepares that contain any Lender Party's name or describe or refer to any Loan Document, any of the terms thereof or any of the transactions contemplated thereby. No Credit Party shall, and shall not permit any of its Affiliates to, use any Lender Party's name (or the name of any of their Affiliates) in connection with any of its business operations, including without limitation, advertising, marketing or press releases or such other similar purposes, without such Lender Party's prior written consent (except as required by Applicable Law). Nothing contained in any Loan Document is intended to permit or authorize any Credit Party or any of its Affiliates to contract on behalf of any Lender Party.

(b) Administrative Agent and Lenders each individually (but not jointly or jointly and severally) agree that material, non-public information regarding the Credit Parties, their

operations, assets, and existing and contemplated business plans shall be treated by Administrative Agent and the Lenders in a confidential manner, and shall not be disclosed by Administrative Agent or any Lender to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any Lender Party, (ii) to Subsidiaries and Affiliates of any Lender Party, (iii) as may be required by statute, judicial decision, or judicial or administrative order, rule, or regulation, (iv) as may be agreed to in advance by the Credit Parties or as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, (v) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by a Lender Party), (vi) in connection with any assignment, participation or pledge of any Lender Party's interest under this Agreement, and (vii) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents. Notwithstanding the foregoing, each Credit Party hereby expressly authorizes Administrative Agent to use the respective Credit Party's name and logo in tombstone advertisements and press releases regarding this transaction, provided that the Borrower Representative has had a chance to review and approve the contents of such tombstone or press release, such approval not to be unreasonably withheld or delayed.

Section 14.15.USA Patriot Act Notice. The Administrative Agent hereby notifies the Credit Parties that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow the Administrative Agent to identify each Credit Party in accordance with the Patriot Act.

Section 14.16.Schedules. All Schedules referenced herein and attached hereto are incorporated in this Agreement and made a part hereof for all purposes.

Section 14.17.Counterparts. This Agreement may be executed in any number of counterparts, and signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Credit Parties shall deliver manually executed originals of this Agreement and the other Loan Documents to Administrative Agent, provided however, if any Credit Party fails to do so, an electronic transmission of any such executed counterpart signature page shall be deemed valid as an original.

Section 14.18.Captions. The captions contained in this Agreement are for convenience of reference only, are without substantive meaning and may not be construed to modify, enlarge or restrict any provision of this Agreement.

Section 14.19.Reserved.

Section 14.20.Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for hedge agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the

resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with

the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of Texas or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

#### Section 14.21. Erroneous Payments.

(a) Each Lender, each LC Issuer and any other party hereto hereby severally agrees that if (i) Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or LC Issuer (or the Lender which is an Affiliate of a Lender or LC Issuer) or any other Person that has received funds from Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender or LC Issuer (each such recipient, a “Payment Recipient”) that Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 14.21(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an “Erroneous Payment”), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each

Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and

hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of Administrative Agent, and upon demand from Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to Administrative Agent at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by Administrative Agent for any reason, after demand therefor by Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an “Erroneous Payment Return Deficiency”), then at the sole discretion of Administrative Agent and upon Administrative Agent’s written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the “Erroneous Payment Impacted Loans”) to Administrative Agent or, at the option of Administrative Agent, Administrative Agent’s applicable lending affiliate (such assignee, the “Administrative Agent Assignee”) in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Loans, the “Erroneous Payment Deficiency Assignment”) plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by Administrative Agent Assignee as the assignee of such Erroneous Payment Deficiency Assignment. Without limitation of its rights hereunder, following the effectiveness of the Erroneous Payment Deficiency Assignment, Administrative Agent may make a cashless reassignment to the applicable assigning Lender of any Erroneous Payment Deficiency Assignment at any time by written notice to the applicable assigning Lender and upon such reassignment all of the Loans assigned pursuant to such Erroneous Payment Deficiency Assignment shall be reassigned to such Lender without any requirement for payment or other consideration. The parties hereto acknowledge and agree that

(1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor,

(2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions

of Article 13 and (3) Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by Administrative Agent to such Payment Recipient from any source, against any amount due to Administrative Agent under this Section 14.21 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any Obligations owed by the Borrowers or any other Credit Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by Administrative Agent from the Borrowers or any other Credit Party for the purpose of making for a payment on the Obligations and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party's obligations under this Section 14.21 shall survive the resignation or replacement of Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

(g) The provisions of this Section 14.21 to the contrary notwithstanding, (i) nothing in this Section 14.21 will constitute a waiver or release of any claim of any party hereunder arising from any Payment Recipient's receipt of an Erroneous Payment and (ii) there will only be deemed to be a recovery of the Erroneous Payment to the extent that Administrative Agent has received payment from the Payment Recipient in immediately available funds the Erroneous Payment Return Deficiency, whether directly from the Payment Recipient, as a result of the exercise by Administrative Agent of its rights of subrogation or set off as set forth above in clause (e) or as a result of the receipt by Administrative Agent Assignee of a payment of the outstanding principal balance of the Loans assigned to Administrative Agent Assignee pursuant to an Erroneous Payment Deficiency Assignment, but excluding any other amounts in respect thereof (it being agreed that any payments of interest, fees, expenses or other amounts (other than principal) received by Administrative Agent Assignee in respect of the Loans assigned to Administrative Agent Assignee pursuant to an Erroneous Payment Deficiency Assignment shall be the sole property of Administrative Agent Assignee and shall not constitute a recovery of the Erroneous Payment).

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS



OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Agreement Date.

Credit Parties:

Precision Industries, Inc.,  
a Pennsylvania corporation, as a Borrower

By: \_\_\_\_\_ = 2 : C? \_\_\_\_\_

Thomas R. Sedlak Chief Executive Officer

Central Steel Fabricators, LLC,  
an Illinois limited liability company, as a Borrower

By: \_\_\_\_\_ Thomas R. Sedlak  
Chief Executive Officer

The Kinetic Co., Inc.,  
a Wisconsin corporation, as a Borrower

By: \_\_\_\_\_ Thomas R. Sedlak  
Chief Executive Officer

Precision Affiliated Holdings LLC,  
a Delaware limited liability company, as a Guarantor

By: \_\_\_\_\_ Thomas R. Sedlak  
Chief Executive Officer

LEGACY CORPORATE LENDING, LLC,

:YAOOr

**PaulE.Martin**

Chief Investment Officer

LEGACY CORPORATE LENDING ASSETCO  
1,LLC.asa er

**By:**           

Paul E. M rtin

Chief Investment Officer

SCHEDULE 1.1

Lenders' Commitments

Lender	Revolving Credit Limit*	Term Cap Ex Loan Commitment Amount	Term Loan Commitment Amount	Total Facility Amount	Percentage Share
Legacy Corporate Lending AssetCo 1, LLC	\$31,152,000	\$6,000,000	\$9,848,000	\$47,000,000	100%

\* The Revolving Credit Limit may adjust daily after the Agreement Date in accordance with the definition of Revolving Credit Limit in Section 1.1.

SCHEDULE 1.2

Reserved

LOAN AND SECURITY AGREEMENT - SCHEDULE 1.2  
285427494

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SCHEDULE 7.1

Fundamental Information; Equity Ownership Interests

**I. Fundamental Information**

<b>Credit Party Legal Name</b>	<b>Federal Tax Identification Number</b>	<b>Jurisdiction of Organization</b>	<b>Chief Executive Office Address</b>	<b>Foreign Qualifications</b>
Precision Affiliated Holdings LLC	87-3672932	Delaware	8548 Rozita Lee Ave. Suite 305 Las Vegas, Nevada 89113	None
Precision Industries, Inc.	25-1140506	Pennsylvania	99 Berry Road Washington, Pennsylvania 15301	Illinois, Connecticut, New Jersey
The Kinetic Co., Inc.	39-1127559	Wisconsin	2100 West 16 <sup>th</sup> Street Broadview, Illinois 60155	None
Central Steel Fabricators, LLC	36-2681782	Illinois	6775 W Loomis Road Greendale, Wisconsin 53129	Florida

**II. Equity Ownership**

<b>Issuer</b>	<b>Owner</b>	<b>Certificate Number(s)</b>	<b>Outstanding Equity Interests</b>	<b>Number of Owned Equity Interests</b>	<b>Percentage of Owned Equity Interests</b>
Holdings	Live Ventures Incorporated	N/A	N/A	N/A	100%
Precision	Holdings	1	1,000 shares	1,000 shares	100%
Kinetic	Precision	19, 20	Class A Voting Stock – 1,818 shares; Class B Non-voting Stock – 89,082 shares	Class A Voting Stock – 1,818 shares; Class B Non-voting Stock – 89,082 shares	100%

<b>Issuer</b>	<b>Owner</b>	<b>Certificate Number(s)</b>	<b>Outstanding Equity Interests</b>	<b>Number of Owned Equity Interests</b>	<b>Percentage of Owned Equity Interests</b>
Central Steel	Precision	1	N/A	N/A	100%

LOAN AND SECURITY AGREEMENT - SCHEDULE 7.1  
285510807

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SCHEDULE 7.2

Prior Transactions

<b>Credit Party</b>	<b>Prior Legal Names in the Past Five (5) Years</b>	<b>Fictitious Names in the Past Five (5) Years</b>	<b>Mergers, Organizational Changes or Acquisitions in the Past Five (5) Years</b>
Holdings	None	None	None
Precision	None	Precision Marshall Steel Company, Precision Marshall, Precision Marshall Steel	None
Kinetic	None	Knifemaker Kinetic	Pursuant to that certain Asset Purchase Agreement, dated as of June 10, 2024, by and among Midwest Grinding Corp., a Wisconsin corporation (“Midwest Grinding”), the Shareholders (as defined therein) and Kinetic, Kinetic purchased substantially all of the assets of Midwest Grinding.
Central Steel	Central Steel Fabricators, Inc.	Central Steel Fabricators	Pursuant to that certain Statement of Conversion filed on May 10, 2024, Central Steel Fabricators, Inc., an Illinois corporation, converted to Central Steel Fabricators, LLC, an Illinois limited liability company.

SCHEDULE 7.7

Litigation

None.

SCHEDULE 7.8

ERISA Benefit Plans

1. Precision Industries 401(k) Profit Sharing Plan.
2. Precision Industries Hourly 401(k) Plan.
3. The Kinetic Co., Inc. Savings Plan.
4. Retirement Income Security Plan – Central Steel Fabricators, Inc.

SCHEDULE 7.11

Location of Collateral

<b>Credit Party</b>	<b>Address</b>	<b>Leased, Owned or Other Type of Arrangement (e.g., warehouse consignment, etc.)</b>	<b>Name / Address of Owner (if Leased)</b>	<b>Type of Collateral at Location</b>
Kinetic	7725 W. Tower Avenue Milwaukee, Wisconsin 53223	Owned	N/A	Inventory and equipment
Precision	99 Berry Road Washington, Pennsylvania 15301	Leased	Harold St Interests, LLC	Inventory and equipment
	One Northpoint Court Bolingbrook, Illinois 60440	Leased	Teachers Insurance and Annuity Association of America c/o Nuveen Real Estate 2300 North Field Street Suite 1650 Dallas, Texas 75201	Inventory and equipment
	50 Rockwood Lane Meadow Lands, Pennsylvania 15347	Leased	Meadow Lands Industrial, LLC P.O. Box 358 Meadow Lands, Pennsylvania 15347	Inventory and equipment

Credit Party	Address	Leased, Owned or Other Type of Arrangement (e.g., warehouse consignment, etc.)	Name / Address of Owner (if Leased)	Type of Collateral at Location
Kinetic	6775 West Loomis Road Greendale, Wisconsin 53219	Leased	Moss Family Trust	Inventory and equipment
Kinetic	5144 South Third Street Milwaukee, Wisconsin 53207	Leased	CP – South Howell 3, LLC 250 W. Court Street Suite 200E Cincinnati, Ohio 45202	Inventory and equipment
Central Steel	2100 West 16th Street Broadview, Illinois 60155	Leased	Legacy West Partners Chicago, LLC 1110 Torrey Pines Road La Jolla, California 92037	Inventory and equipment
	3105 West 27th Street Chicago, Illinois 60623	Leased	3105 W. 27th, LLC P.O. Box 637 Hinsdale, Illinois 60522	Inventory and equipment

SCHEDULE 7.15

Proprietary Rights

**Patents / Patent Applications:**

Credit Party	Description	Status	Patent Number	Date of Patent
Kinetic	Wood cutting blade with adjustment legs and blade positioning assembly	Registered	9,840,019	December 12, 2017

**Trademarks / Trademark Applications:**

Credit Party	Mark	Status	Serial Number	Registration Date
Precision	NUTEC	Registered	74301357	April 13, 1993
	SUPER 7 MQ	Registered	74326071	June 28, 1994
	MARSHALLOY MQ	Registered	74326073	November 16, 1993
Kinetic	K KINETIC	Registered	72432441	August 27, 1974

**Copyrights / Copyright Applications:**

None.

**Domain Names:**

Credit Party	Name	Status
Kinetic	<a href="http://www.knifemaker.com">www.knifemaker.com</a>	Active
	<a href="http://www.midwestgrindinginc.com">www.midwestgrindinginc.com</a>	Active
Precision	<a href="http://www.precisionmarshall.com">www.precisionmarshall.com</a>	Active

LOAN AND SECURITY AGREEMENT - SCHEDULE 7.15  
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Credit Party	Name	Status
Central	<a href="http://www.centralsteelfab.com">www.centralsteelfab.com</a>	Active

**Trade Names:**

Credit Party	Trade Names
Holdings	None
Precision	Precision Marshall Steel Company
Central Steel	Central Steel Fabricators, Central Steel Fabricators, Inc.
Kinetic	Knifemaker Kinetic

SCHEDULE 7.16

Investment Property

1. Equity Interests owned by each Credit Party described in Schedule 7.1.

SCHEDULE 7.17

Real Property and Leases

<b>Credit Party</b>	<b>Address</b>	<b>Leased / Owned</b>	<b>Name of Record Owner (if leased)</b>
Kinetic	7725 W. Tower Avenue Milwaukee, Wisconsin 53223	Owned	N/A
Precision	99 Berry Road Washington, Pennsylvania 15301	Leased	Harold St Interests, LLC
	One Northpoint Court Bolingbrook, Illinois 60440	Leased	Teachers Insurance and Annuity Association of America
	50 Rockwood Lane Meadow Lands, Pennsylvania 15347	Leased	Meadow Lands Industrial, LLC
Kinetic	6775 West Loomis Road Greendale, Wisconsin 53219	Leased	Moss Family Trust
	5144 South Third Street Milwaukee, Wisconsin 53207	Leased	CP – South Howell 3, LLC
Central Steel	2100 West 16th Street Broadview, Illinois 60155	Leased	Legacy West Partners Chicago, LLC
	3105 West 27th Street Chicago, Illinois 60623	Leased	3105 W. 27th, LLC

SCHEDULE 7.18

Material Agreements

1. That certain Limited Liability Company Agreement of Precision Affiliated Holdings LLC, effective as of July 7, 2020, by Live Ventures Incorporated.
2. Those certain By-laws of Precision.
3. Those certain Bylaws of Kinetic.
4. That certain Amended and Restated Operating Agreement of Central Steel Fabricators, LLC, made as of May 17, 2024, by and between Central Steel and Precision.

SCHEDULE 7.19

Bank Accounts

Part A – Collection Account

<b>Borrower</b>	<b>Account Number</b>	<b>Name and Address of Depository Bank</b>
Precision	7244512989	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018
Kinetic	7244535840	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018
Central Steel	7284747503	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018

Part B – Controlled Accounts

<b>Credit Party</b>	<b>Account Number</b>	<b>Name and Address of Depository Bank</b>	<b>Purpose</b>
Precision	7244512963	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018	Operating Account
	7244512971		Controlled Disbursement Account
Kinetic	7244535865	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018	Operating Account
	7244535857		Controlled Disbursement Account

<b>Credit Party</b>	<b>Account Number</b>	<b>Name and Address of Depository Bank</b>	<b>Purpose</b>
Central Steel	7284747511	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018	Operating Account
	7244585324		Controlled Disbursement Account

Part C – Excluded Accounts

<b>Credit Party</b>	<b>Account Number</b>	<b>Name and Address of Depository Bank</b>	<b>Purpose</b>
Precision	7244512997	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018	Payroll Account
Kinetic	7244535873	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018	Payroll Account
	7244537093		Dental Claims Account
	7244537101		Medical Claims Account
	21630747	Yorkshire Bank 177 Bothwell Street Glasgow, United Kingdom, G2 7ER	Pounds Account
Central Steel	7284747529	Fifth Third Bank, National Association 6111 N. River Road Rosemont, Illinois 60018	Payroll Account

SCHEDULE 7.21

Debt

None.

LOAN AND SECURITY AGREEMENT - SCHEDULE 7.21  
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SCHEDULE 7.30

Release of Hazardous Materials

None.

LOAN AND SECURITY AGREEMENT - SCHEDULE 7.30  
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SCHEDULE 7.32

Commercial Tort Claims

None.

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LOAN AND SECURITY AGREEMENT - SCHEDULE 7.32  
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EXHIBIT A-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement dated as of December 30, 2025 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among (a) **Precision Industries, Inc.**, a Pennsylvania corporation ("Precision"), **Central Steel Fabricators, LLC**, an Illinois limited liability company ("Central Steel"), and **The Kinetic Co., Inc.**, a Wisconsin corporation ("Kinetic"); together with Precision, Central Steel, and each Person who becomes a borrower thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a "Borrower" and, collectively, the "Borrowers"), (b) **Precision Affiliated Holdings LLC**, a Delaware limited liability company ("Holdings"); together with each Person who becomes a guarantor thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a "Guarantor" and, collectively, the "Guarantors"), the lenders from time to time party hereto (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter collectively as the "Lenders" and each is a "Lender") and **Legacy Corporate Lending, LLC**, as administrative and collateral agent (Legacy, in such capacity, and including its successors and permitted assigns, the "Administrative Agent") for the Lender Parties.

Pursuant to the provisions of Section 3.5(d)(iv) of the Loan Agreement, the undersigned certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished the Administrative Agent and Borrower Representative with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform Borrower Representative and the Administrative Agent, and (2) the undersigned shall have at all times furnished Borrower Representative and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF LENDER]

By: \_\_

Name:

Title:

Date: \_\_, 20[ ]

EXHIBIT A-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement dated as of December 30, 2025 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among (a) **Precision Industries, Inc.**, a Pennsylvania corporation ("Precision"), **Central Steel Fabricators, LLC**, an Illinois limited liability company ("Central Steel"), and **The Kinetic Co., Inc.**, a Wisconsin corporation ("Kinetic"); together with Precision, Central Steel, and each Person who becomes a borrower thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a "Borrower" and, collectively, the "Borrowers"), (b) **Precision Affiliated Holdings LLC**, a Delaware limited liability company ("Holdings"); together with each Person who becomes a guarantor thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a "Guarantor" and, collectively, the "Guarantors"), the lenders from time to time party hereto (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter collectively as the "Lenders" and each is a "Lender") and **Legacy Corporate Lending, LLC**, as administrative and collateral agent (in such capacity, and including its successors and permitted assigns, the "Administrative Agent") for the Lender Parties.

Pursuant to the provisions of Section 3.5(d)(v) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the IRC, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the IRC, and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF PARTICIPANT]

By: \_\_\_  
Name:  
Title:  
Date: \_\_\_, 20[ ]

EXHIBIT A-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement dated as of December 30, 2025 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among (a) **Precision Industries, Inc.**, a Pennsylvania corporation ("Precision"), **Central Steel Fabricators, LLC**, an Illinois limited liability company ("Central Steel"), and **The Kinetic Co., Inc.**, a Wisconsin corporation ("Kinetic"); together with Precision, Central Steel, and each Person who becomes a borrower thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a "Borrower" and, collectively, the "Borrowers"), (b) **Precision Affiliated Holdings LLC**, a Delaware limited liability company ("Holdings"); together with each Person who becomes a guarantor thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a "Guarantor" and, collectively, the "Guarantors"), the lenders from time to time party hereto (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter collectively as the "Lenders" and each is a "Lender") and **Legacy Corporate Lending, LLC**, as administrative and collateral agent (in such capacity, and including its successors and permitted assigns, the "Administrative Agent") for the Lender Parties.

Pursuant to the provisions of Section 3.5(d)(v) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF PARTICIPANT]

By: \_\_

Name:

Title:

Date: \_\_, 20[ ]

EXHIBIT A-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Loan and Security Agreement dated as of December 30, 2025 (as amended, supplemented or otherwise modified from time to time, the “Loan Agreement”), by and among (a) **Precision Industries, Inc.**, a Pennsylvania corporation (“Precision”), **Central Steel Fabricators, LLC**, an Illinois limited liability company (“Central Steel”), and **The Kinetic Co., Inc.**, a Wisconsin corporation (“Kinetic”; together with Precision, Central Steel, and each Person who becomes a borrower thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a “Borrower” and, collectively, the “Borrowers”), (b) **Precision Affiliated Holdings LLC**, a Delaware limited liability company (“Holdings”; together with each Person who becomes a guarantor thereunder in accordance with the terms of Section 8.16 of the Loan Agreement, whether now or hereafter existing, and their successors and assigns, each, a “Guarantor” and, collectively, the “Guarantors”), the lenders from time to time party hereto (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter collectively as the “Lenders” and each is a “Lender”) and **Legacy Corporate Lending, LLC**, as administrative and collateral agent (in such capacity, and including its successors and permitted assigns, the “Administrative Agent”) for the Lender Parties.

Pursuant to the provisions of Section 3.5(d)(v) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Loan Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the IRC, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the IRC and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the IRC.

The undersigned has furnished the Administrative Agent and the Borrower Representative with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower Representative and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower Representative and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years



preceding such payments. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF LENDER]

By: \_\_

Name:

Title:

Date: \_\_, 20[ ]

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## FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT

This **FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment"), is dated as of January 8, 2026, by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender"). Flooring Liquidators, Inc., a California corporation ("Flooring"), Elite Builder Services, Inc., a California corporation ("Elite") and CRO Affiliated, LLC, a Delaware limited liability company ("CRO", together with Flooring and Elite, each a "Borrower" and together with any other Borrower party hereto from time to time, collectively, the "Borrowers"). Flooring Affiliated Holdings, LLC ("Parent"), and Floorable, LLC, a California limited liability company ("Floorable") and Rocky Mountain Wholesale Flooring, Inc., a Utah corporation ("Rocky Mountain"), together with any other Guarantor party hereto from time to time, each a "Guarantor" and collectively, the "Guarantors"), the Lenders party hereto from time to time and ECLIPSE BUSINESS CAPITAL LLC, as agent for the Lenders (in such capacity, "Agent").

### WITNESSETH:

**WHEREAS**, Borrowers, Guarantors, Lenders and Agent are parties to that certain Loan and Security Agreement, dated as of January 18, 2023 (the "Original Loan Agreement"), as amended by that certain Waiver, Consent and First Amendment to Loan and Security Agreement dated as of October 13, 2023, amended by that certain Waiver and Second Amendment to Loan and Security Agreement, and as further amended by that certain Consent and Third Amendment to Loan and Security Agreement dated as of September 12, 2025 (the "Existing Loan Agreement"); and

**WHEREAS**, the Borrower and Guarantors have requested and Agent has agreed to extend the Scheduled Maturity Date in accordance with the terms and conditions of this Amendment.

**NOW THEREFORE**, in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. Defined Terms.** Unless otherwise defined herein, all capitalized terms used herein have the meanings assigned to such terms in the Existing Loan Agreement, as amended hereby (the "Loan Agreement").

**SECTION 2. Amendments.** The Loan Agreement is hereby amended (a) to delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~striekea teM:t~~ and ~~strieK0fl te(t)~~) and (b) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text),

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FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT

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in each case, as set forth in the marked copy of the Loan Agreement attached hereto as Exhibit A hereto and made a part hereof for all purposes.

**SECTION 3. Representations, Warranties and Covenants of Borrower and Guarantors.**

Borrower and Guarantors represents and warrants to the Lenders and Agent and agrees that:

(a) the representations and warranties contained in the Loan Agreement (as amended hereby) and the other outstanding Loan Documents are true and correct in all material respects at and as of the date hereof as though made on and as of the date hereof, except (i) to the extent specifically made with regard to a particular date, and (ii) for such changes that are a result of any act or omission specifically permitted under the Loan Agreement (or under any Loan Document), or as otherwise specifically permitted by the Lenders;

(b) on the Fourth Amendment Effective Date, after giving effect to this Amendment, no Default or Event of Default will have occurred and be continuing;

(c) the execution, delivery and performance of this Amendment have been duly authorized by all necessary action on the part of, and duly executed and delivered by Borrower and Guarantors, and this Amendment is a legal, valid and binding obligation of Borrower and Guarantors, enforceable against such Person in accordance with its terms, except as the enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law); and

(d) the execution, delivery and performance of this Amendment do not conflict with or result in a breach by Borrower or Guarantors of any term of any material contract, loan agreement, indenture or other agreement or instrument to which such Person is a party or is subject.

**SECTION 4. Conditions Precedent to Effectiveness of Amendment.** This Amendment shall become effective (the "Fourth Amendment Effective Date") upon satisfaction of each of the following conditions:

(a) Each Borrower, Guarantors, the Lenders and Agent shall have executed and delivered to the Agent this Amendment and such other documents as the Agent may reasonably request;

(b) Agent shall have received evidence satisfactory to Agent in its Permitted Discretion that each of the conditions precedent set forth in Section 4 of the Loan Agreement have been satisfied, in each case, with respect to the Borrower and the Guarantors; and

(c) All legal matters incident to the transactions contemplated hereby shall be reasonably satisfactory to counsel for the Agent.

**SECTION 5. Costs and Expenses.** Each Borrowers and the Loan Parties hereby affirms its obligations under the Loan Agreement to reimburse the Agent for all reasonable and documented fees and expenses paid or incurred by the Agent in connection with the preparation, negotiation,

execution and delivery of this Amendment, including but not limited to the reasonable and documented internal and external attorneys' fees and expenses of attorneys for the Agent with respect thereto.

**SECTION 6. Reserved.**

**SECTION 7. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUCTED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE INTERNAL CONFLICTS OF LAWS PROVISIONS THEREOF.**

**SECTION 8. Effect of Amendment; Reaffirmation of Loan Documents.** (a) Nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Loan Agreement or the other outstanding Loan Documents other than as expressly set forth herein. The Loan Agreement (as amended hereby) and each of the other outstanding Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. Borrower and Guarantors hereby further ratifies and reaffirms the validity and enforceability of all of the Liens heretofore granted, pursuant to and in connection with the Loan Agreement or any other Loan Document to the Agent on behalf and for the benefit of the Lenders, as collateral security for the Obligations under the Loan Documents, in accordance with their respective terms, and acknowledges that all of such Liens, and all collateral heretofore pledged as security for such Obligations, continues to be and remain collateral for such obligations from and after the date hereof. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of similar import shall mean and be a reference to the Loan Agreement as amended hereby.

(b) Except as otherwise set forth herein, execution of this Amendment by the Lenders and Agent (i) shall not constitute a waiver of any Default or Event of Default that may currently exist or hereafter arise under the Loan Agreement, (ii) shall not impair, modify, restrict or limit any right, power, privilege or remedy of the Lenders or Agent with respect to any Default or Event of Default that may now exist or hereafter arise under the Loan Agreement or any of the other Loan Documents, and (iii) shall not constitute any custom, course of dealing or other basis for altering any obligation of Borrower or Guarantors or any right, power, privilege or remedy of the Lenders and Agent under the Loan Agreement or any of the other Loan Documents.

(c) The amendments, consents, modifications and other agreements set forth herein are limited to the specifics hereof, shall not apply with respect to any facts or occurrences other than those on which the same are based, shall neither excuse any future non-compliance with the Loan Agreement or any other Loan Document, nor operate as a waiver of any Default or Event of Default.

(d) This Amendment is a Loan Document.

(e) To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Loan Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended

accordingly to reflect the terms and conditions of the Loan Agreement and the Loan Documents as modified or amended hereby.

**SECTION 9. Headings.** Section headings in this Amendment are included herein for convenience of any reference only and shall not constitute a part of this Amendment for any other purposes.

**SECTION 10. Release.** EACH OF THE BORROWERS AND THE LOAN PARTIES HEREBY ACKNOWLEDGES THAT AS OF THE DATE HEREOF IT HAS NO DEFENSE, COUNTERCLAIM, OFFSET, CROSS COMPLAINT, CLAIM OR DEMAND OF ANY KIND OR NATURE WHATSOEVER THAT CAN BE ASSERTED TO REDUCE OR ELIMINATE ALL OR ANY PART OF THEIR LIABILITY TO REPAY THE OBLIGATIONS OR TO SEEK AFFIRMATIVE RELIEF OR DAMAGES OF ANY KIND OR NATURE FROM AGENT OR THEIR RESPECTIVE AFFILIATES, PARTICIPANTS OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, MANAGERS, MEMBERS, EMPLOYEES OR ATTORNEYS. EACH BORROWER AND THE LOAN PARTIES HEREBY VOLUNTARILY AND KNOWINGLY RELEASES AND FOREVER DISCHARGES AGENT, THEIR RESPECTIVE AFFILIATES AND PARTICIPANTS, AND THEIR PREDECESSORS, AGENTS, MANAGERS, MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS, FROM ALL POSSIBLE CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES, AND LIABILITIES WHATSOEVER, KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, SUSPECTED OR UNSUSPECTED, FIXED, CONTINGENT, OR CONDITIONAL, AT LAW OR IN EQUITY, ORIGINATING IN WHOLE OR IN PART ON OR BEFORE THE DATE THIS AMENDMENT IS EXECUTED, WHICH HOLDINGS OR BORROWERS MAY NOW OR HEREAFTER HAVE AGAINST AGENT, LENDERS OR THEIR RESPECTIVE PREDECESSORS, AGENTS, MANAGERS, MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS, IF ANY, AND IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR REGULATIONS, OR OTHERWISE, AND ARISING FROM THE LIABILITIES, THE EXERCISE OF ANY RIGHTS AND REMEDIES UNDER THE LOAN AGREEMENT OR OTHER LOAN DOCUMENTS, AND NEGOTIATION FOR AND EXECUTION OF THIS AMENDMENT. EACH BORROWER AND THE LOAN PARTIES HEREBY COVENANTS AND AGREES NEVER TO INSTITUTE ANY ACTION OR SUIT AT LAW OR IN EQUITY, NOR INSTITUTE, PROSECUTE, OR IN ANY WAY AID IN THE INSTITUTION OR PROSECUTION OF ANY CLAIM, ACTION OR CAUSE OF ACTION, RIGHTS TO RECOVER DEBTS OR DEMANDS OF ANY NATURE AGAINST AGENT, THEIR RESPECTIVE AFFILIATES AND PARTICIPANTS, OR THEIR RESPECTIVE SUCCESSORS, AGENTS, MANAGERS, MEMBERS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, AND PERSONAL AND LEGAL REPRESENTATIVES ARISING ON OR BEFORE THE DATE HEREOF OUT OF OR RELATED TO AGENT'S ACTIONS, OMISSIONS, STATEMENTS, REQUESTS OR DEMANDS IN ADMINISTERING, ENFORCING, MONITORING, COLLECTING OR ATTEMPTING TO COLLECT THE OBLIGATIONS OF BORROWERS OR ANY LOAN PARTIES TO AGENT, WHICH OBLIGATIONS ARE EVIDENCED BY THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS.

**SECTION 11. Severability.** In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**SECTION 12. Entire Agreement.** This Amendment, and terms and provisions hereof, the Loan Agreement and the other Loan Documents constitute the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written and is the final expression and agreement of the parties hereto with respect to the subject matter hereof

**SECTION 13. Execution in Counterparts.** This Amendment may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

*[Remainder of page intentionally left blank with signature pages immediately to follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first above written.

**LENDER:** **ECLIPSE BUSINESS CAPITAL SPV, LLC,** a  
Delaware limited liability company

By:\_\_\_  
Name: Thomas Stone  
Title: Authorized Signatory

**AGENT:** **ECLIPSE BUSINESS CAPITAL LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: Thomas Stone  
Title: Authorized Signatory

**[Signature Pages Continue]**

LOAN PARTIES:  
FLOORING LIQUIDATORS, INC.

By:      Daniel Bliss  
Chief Financial Officer

ELITE BUILDER SERVICES, INC.

By:      Daniel Bliss  
Chief Financial Officer

CRO AFFILIATED, LLC

By:       
Daniel Bliss  
Chief Financial Officer

Loan Parties:  
ROCKY MOUNTAIN WHOLESALE FLOORING, INC.  
By:  
Daniel Bliss  
Chief Financial Officer

FLOORABLE, LLC  
By: \_\_\_\_ Daniel Bliss  
Chief Financial Officer

FLOORING AFFILIATED HOLDINGS, LLC By: == >  
Daniel Bliss  
Chief Financial Officer

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Exhibit A

Conformed through the Fourth Amendment to the Loan and Security Agreement

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**LOAN AND SECURITY AGREEMENT**

**Dated as of January 18, 2023 by and among**

**FLOORING AFFILIATED HOLDINGS, LLC  
as the Initial Borrower,**

**FLOORING LIQUIDATORS, INC., CRO AFFILIATED, LLC, AND ELITE BUILDER SERVICES, INC.**

**any other Borrower party hereto from time to time, as Borrowers,**

**FLOORING AFFILIATED HOLDINGS, LLC, ROCKY MOUNTAIN WHOLESALE FLOORING, INC. AND FLOORABLE, LLC,**

**any other Guarantor party hereto from time to time,**

**collectively, as the Loan Parties,**

**the Lenders from time to time party hereto, and**

**ECLIPSE BUSINESS CAPITAL LLC,  
as Agent**

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## Loan and Security Agreement

This Loan and Security Agreement (as it may be amended, restated or otherwise modified from time to time, this "*Agreement*") is entered into on January 18, 2023, by and among Flooring Affiliated Holdings, LLC, a Delaware limited liability company ("Parent" or "*Initial Borrower*") in its capacity as an Initial Borrower, CRO Affiliated, LLC, a Delaware limited liability company, after giving effect to the Closing Date Acquisition, Flooring Liquidators, Inc., a California corporation ("*FL*"), Elite Builder Services, Inc., a California corporation ("*Elite*" together with FL and Elite; together with the Initial Borrower, each a "*Borrower*" and together with any other Borrower party hereto from time to time, collectively, the "*Borrowers*"), and, Rocky Mountain Wholesale Flooring, Inc., a Utah corporation ("*Mountain*"), Floorable, LLC, a California limited liability company, ("*Floorable*", Mountain and Parent together with any other Guarantor party hereto from time to time (each a "*Guarantor*" and collectively, the "*Guarantors*"), the Lenders party hereto from time to time and ECLIPSE BUSINESS CAPITAL LLC, as agent for the Lenders (in such capacity, "*Agent*"). The Annexes, Schedules and Exhibits to this Agreement, as well as the Perfection Certificate attached to this Agreement, are an integral part of this Agreement and are incorporated herein by reference.

### 1. DEFINITIONS.

#### 1.1. Certain Defined Terms.

Unless otherwise defined herein, the following terms are used herein as defined in the UCC: Accounts, Account Debtor, As-Extracted Collateral, Certificated Security, Chattel Paper, Commercial Tort Claims, Debtor, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Farm Products, Financing Statement, Fixtures, General Intangibles, Goods, Health-Care-Insurance Receivables, Instruments, Inventory, Letter-of-Credit Rights, Money, Payment Intangible, Proceeds, Secured Party, Securities Accounts, Security Agreement, Supporting Obligations and Tangible Chattel Paper.

As used in this Agreement, the following terms have the following meanings:

"*ABLSoft*" means the electronic and/or internet-based system approved by Agent for the purpose of making notices, requests, deliveries, communications and for the other purposes contemplated in this Agreement or otherwise approved by Agent, whether such system is owned, operated or hosted by Agent, any of its Affiliates or any other Person.

"*Accounts Advance Rate*" means the percentage set forth in Section 1(b)(i) of Annex

I.

"*Acquisition Documents*" means that certain Securities Purchase Agreement dated as of January 18, 2023 by and among Parent, Sponsor, Stephen J. Kellogg, as Seller Representative (as defined therein) and each of the Sellers (as defined therein) party thereto and all material documents executed in connection with such agreement.

"*Adjusted Term SOFR*" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; *provided*, that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"*Additional Availability Amount*" means, as of any date of determination, an amount equal to the lesser of (a) \$2,000,000 reduced automatically by \$83,333.33 on the first day of each month

commencing on February 1, 2023 or (b) the sum of (i) ten percent (10%) of the aggregate amount of Eligible Accounts plus (ii) ten percent (10%) of the Net Orderly Liquidation Value of the

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Eligible Inventory (both of (b)(i) and (b)(ii) being calculated using the most recent Borrowing Base Calculation); provided, that Borrower Representative shall be permitted to reduce the amount in clause(a) hereof to \$0 on a permanent basis by delivery of written notice to the Agent.

**"Advance Rates"** means, collectively, the Accounts Advance Rate, and the Inventory Advance Rate.

**"Affected Financial Institution"** means (a) any EEA Financial Institution or (b) any UK Financial Institution.

**"Affiliate"** means, with respect to any Person, any other Person in control of, controlled by, or under common control with the first Person, and any other Person who has a substantial interest, direct or indirect, in the first Person or any of its Affiliates, including, any officer or director of the first Person or any of its Affiliates (and if that Person is an individual, any member of the immediate family (including parents, siblings, spouse, children, stepchildren, nephews, nieces and grandchildren) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust); **provided**, that neither Agent, any Lender nor any of their respective Affiliates shall be deemed an **"Affiliate"** of any Borrower for any purposes of this Agreement. For the purpose of this definition, a **"substantial interest"** shall mean the direct or indirect legal or beneficial ownership of more than twenty (20%) percent of any class of equity or similar interest of a Person which are entitled to vote for the election of the election of Board of Directors of such Person.

**"Agent"** has the meaning set forth in the preamble to this Agreement, and includes any successor agent appointed in accordance with Section 14.6.

**"Agent Professionals"** means attorneys, accountants, appraisers, auditors, business valuation experts, liquidation agents, collection agencies, auctioneers, environmental engineers or consultants, turnaround consultants, and other professionals and experts retained by Agent.

**"Agent-Related Persons"** means Agent, together with its Affiliates, officers, directors, employees, members, managers, attorneys, and agents.

**"Agreement"** and **"this Agreement"** has the meaning set forth in the preamble to this Agreement.

**"Anti-Corruption Laws"** means laws, rules, and regulations of any jurisdiction applicable to any Loan Party or its Subsidiaries from time to time concerning or relating to bribery or corruption.

**"Applicable Margin"** has the meaning set forth in Annex IV, which after the Equity Notice Trigger, shall be automatically increased by one quarter of one percent (.25%) solely with respect to the Revolving Loans with no further action required by any of the parties.

**"Applicable Percentage"** has the meaning set forth in Section 3.2(e)(i).

**"Approved Electronic Communication"** means each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, facsimile, ABLSoft or any other equivalent electronic service, whether owned, operated or hosted by Agent, any of its Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Agent pursuant to this Agreement or any other Loan Document, including any

financial statement, financial and other report, notice, request, certificate and other information or material; **provided**, that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Agent specifically instructs a Person to deliver in physical form.

**"Approved Fund"** means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business, in each case that is administered, managed, advised or underwritten by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

**"Assignee"** has the meaning set forth in Section 15.9(a).

**"Assignment and Assumption"** means an assignment and assumption agreement substantially in the form of Exhibit G.

**"Assignment of Claims Act"**, means the Assignment of Claims Act of 1940, as amended, currently codified at 31 U.S.C. 3727 and 41 U.S.C. 6305, and includes the prior historically referenced Federal Anti-Claims Act (31 U.S.C. 3727) and the Federal Anti-Assignment Act (41 U.S.C. 6305).

**"Availability Block"** means the amount set forth in Section 1(g) of Annex I hereto. **"Bail-In Action"** means the exercise of any

Write-Down and Conversion Powers by

the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

**"Bail-In Legislation"** means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

**"Bankruptcy Code"** means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.).

**"Base Rate"** means, for any day, the greatest of (a) the Floor, (b) the Federal Funds Rate in effect on such day plus ½%, (c) Adjusted Term SOFR in effect on such day, plus one percent (1.0%), **provided**, that this clause (c) shall not be applicable during any period in which Term SOFR is unavailable or unascertainable, and (d) the rate of interest announced, from time to time, within Wells Fargo Bank, N.A. at its principal office in San Francisco as its "prime rate" in effect on such day, with the understanding that the "prime rate" is one of Wells Fargo Bank, N.A.'s base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo Bank, N.A. may designate (or, if such rate ceases to be so published, as quoted from such other generally available and recognizable source as Agent may select in its Permitted Discretion).

*"Base Rate Loan"* means any Loan which bears interest at or by reference to the Base Rate.

*"Base Rate Term SOFR Determination Day"* has the meaning specified therefor in

the definition of "Term SOFR".

"**Benchmark**" means, initially, the Term SOFR Reference Rate; *provided* that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 3.6(d).

"**Benchmark Replacement**" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Agent and Borrower Representative giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; *provided* that if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement shall be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

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

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

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

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; *provided* that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) continues to be provided on such date.

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

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

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) permanently or indefinitely, **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

**"Benchmark Transition Start Date"** means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

**"Benchmark Unavailability Period"** means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.6(d) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.6(d).

**"Blocked Account"** has the meaning set forth in Section 6.1.

**"Board of Directors"** means, (a) with respect to any corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board,

(b) with respect to a partnership, the board of directors of the general partner of the partnership, (c) with respect to a limited liability company, the managing member or members or any controlling committee, board of managers, or board of directors of such company or the sole member or the

managing member thereof, and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

**"Board of Governors"** means the FRB.

**"Borrower"** and **"Borrowers"** has the meaning set forth in the preamble to this Agreement.

**"Borrower Representative"** means on the Closing Date, the Initial Borrower, and thereafter, Flooring Liquidators, Inc., in such capacity pursuant to the provisions of Section 2.11, or any permitted successor Borrower Representative selected by Borrowers and approved by Agent.

**"Borrowing Base"** means, as of any date of determination, the Dollar Equivalent Amount as of such date of determination of the sum of the following:

- (a) the aggregate amount of Eligible Accounts multiplied by the Accounts Advance Rate, plus
- (b) the lesser of:
  - (i) the lower of cost or market value of Eligible Inventory multiplied by the applicable Inventory Advance Rate(s);
  - (ii) NOLV of Eligible Inventory multiplied by the applicable Inventory Advance Rate(s); and
  - (iii) the Inventory Sublimit; plus
- (c) the Additional Availability Amount; minus
- (d) all Reserves which Agent has established pursuant to Section 2.1(b) (including those to be established in connection with any requested Revolving Loan or Letter of Credit); and minus
- (e) the Availability Block;

**provided**, that the maximum availability created under this Borrowing Base for Eligible Accounts, the Additional Availability Amount and Eligible Inventory attributable solely to CRO Affiliated, LLC's Eligible Accounts, Additional Availability Amount and Eligible Inventory shall not exceed the CRO Sublimit. Notwithstanding the foregoing, none of the assets from the Interiors One Acquisition shall be included in any Borrowing Base Calculation until the satisfaction of the CRO Sublimit Increase Requirements.

**"Borrowing Base Calculation"** means a calculation of the Borrowing Base, in form and detail satisfactory to Agent, utilizing information certified by the Borrowers and provided to Agent in electronic format in the Borrowing Base portal tab in ABLSoft.

**"Business Day"** means a day other than a Saturday or, Sunday or any other day on which Agent or the Federal Reserve Bank of New York is closed.



**"Capital Expenditures"** means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of Loan Parties, but excluding expenditures made in connection with the acquisition, replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

**"Capitalized Lease"** means any lease which is or should be capitalized on the balance sheet of the lessee thereunder in accordance with GAAP.

**"Carpet One Acquisition"** means the acquisition of substantially all of the assets of Carpet Remnant Outlet, Inc. by CRO Affiliates, LLC as contemplated by the Carpet One Acquisition Documents.

**"Carpet One Acquisition Documents"** means the Carpet One Asset Purchase Agreement and all material documents executed in connection with such agreement.

**"Carpet One Asset Purchase Agreement"** means that certain Asset Purchase Agreement dated as of October 13, 2023 by and among CRO Affiliated, LLC, Carpet Remnant Outlet, Inc., as Seller Representative (as defined therein) and each of the Sellers (as defined therein) party thereto.

**"Carpet One Subordinated Promissory Note"** means that certain Subordinated Promissory Note dated as of October 13, 2023 by and between CRO Affiliated, LLC and Carpet Remnant Outlet, Inc., as in effect as of the First Amendment Effective Date.

**"Cash Equivalents"** mean, collectively, (a) marketable, direct obligations of the United States Government or its agencies and backed by the full faith and credit of the United States, maturing within one hundred eighty (180) days the date of purchase, (b) commercial paper issued by corporations, each of which shall (i) have a consolidated net worth of at least \$500,000,000 and (ii) conduct substantially all of its business in the United States, which commercial paper will mature within one hundred eighty (180) days from the date of the original issue thereof and is rated "P-1" or better by Moody's or "A-1" or better by S&P, (c) certificates of deposit maturing within two hundred and seventy (270) days of the date of purchase and issued by a US national or state bank having deposits totaling more than \$500,000,000, and whose short-term debt is rated "P-1" or better by Moody's or "A-1" or better by S&P, and (d) up to \$100,000 per institution and up to \$1,000,000 in the aggregate in (i) short-term obligations issued by any local commercial bank or trust company located in those areas where the Loan Parties conducts its business, whose deposits are insured by the Federal Deposit Insurance Corporation, or (ii) commercial bank-insured money market funds, or any combination of the types of investments described in this clause (d).

**"CFC"** means a "controlled foreign corporation" as defined in Section 957 of the

Code.

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

(a) Permitted Holders cease beneficially and of record to own and control, directly or indirectly, at least 51% on a fully diluted basis of the aggregate outstanding voting and

economic power of the Equity Interests of Parent (without regard to the occurrence of any contingency) owned by Permitted Holders on the Closing Date;

(b) (i) the directors/managers on the Board of Directors of Parent that were appointed and are controlled by the Permitted Holders shall fail, collectively, to constitute a majority of the Board of Directors of Parent or (ii) Jon Isaac shall be a director/manager on the Board of Directors of Parent;

(c) Parent shall cease to have beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of 100% of the aggregate voting or economic power of the Equity Interests of each other Loan Party (other than in connection with any transaction permitted pursuant to Section 8.7(d)), free and clear of all Liens other than Permitted Liens;

(d) the adoption by the stockholders of Parent of a plan or proposal for the liquidation or dissolution of Parent;

(e) except in connection with the Closing Date Acquisition, the sale, assignment, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Parent and its Subsidiaries taken as a whole to any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act); or

(f) a "Change of Control" (or any comparable term or provision) occurs under or with respect to any Disqualified Equity Interests or Subordinated Debt of Parent or any of its Subsidiaries.

**"Closing Date"** means January 18, 2023.

**"Closing Date Acquisition"** means the acquisition by Parent of all of the issued and outstanding equity of each of FL, Elite, 7 Day Stone, Inc., K2L Leasing, LLC, SJ & K Equipment, Inc. and Floorable pursuant to the terms and conditions of the Acquisition Agreement.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Collateral"** means all property and interests in property in or upon which a security interest, mortgage, pledge or other Lien is granted pursuant to this Agreement or the other Loan Documents, including all of the property of each Loan Party described in Section 5.1.

**"Collateral Access Agreement"** means any agreement, in form and substance reasonably satisfactory to Agent, of any landlord, lessor, warehouseman, processor, consignee or other Person (i) in possession of, having a Lien upon or having rights or interests in, any of the Collateral in favor of Agent for the benefit of the Lenders waiving or subordinating Liens or certain other rights or interests such Person may hold in regard to the property of any of the Loan Parties and providing Agent access to its Collateral (without requiring the cure any defaults of Loan Parties), and/or (ii) granting access or providing occupancy rights (without requiring the cure any defaults of Loan Parties), in favor of Agent for the benefit of the Lenders, for a sufficient time for the purpose of disposing of Collateral located at such property in a manner determined by Agent in its Permitted Discretion.

**"Collections"** has the meaning set forth in Section 6.1.

**"Commitment"** means individually or collectively as required by the context, the Revolving Loan Commitment and the M&E Term Loan Commitment.

**"Commitment Schedule"** means the Commitment Schedule attached hereto as Annex

III.

**"Competitor"** means any Person who is a bona fide competitor of the Borrowers identified in writing to Agent prior to the Closing Date, as such list of bona fide competitors may be updated by the Borrower Representative (by furnishing such updates to Agent in writing) from time to time thereafter.

**"Compliance Certificate"** means a compliance certificate substantially in the form of Exhibit F hereto to be signed by a Responsible Officer.

**"Confidential Information"** means confidential information that any Loan Party furnishes to Agent pursuant to any Loan Document concerning any Loan Party's business, but does not include any such information once such information has become, or if such information is, generally available to the public or available to Agent (or other applicable Person) from a source other than the Loan Parties which is not, to Agent's knowledge, bound by any confidentiality agreement in respect thereof.

**"Conforming Changes"** means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 3.6(d) and other technical, administrative or operational matters) that Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or if Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

**"Credit Bid"** has the meaning set forth in Section 14.9.

**"CRO Sublimit"** means the amount(s) set forth in Section 1(e) of Annex I.

**"CRO Sublimit Increase Requirements"** means the receipt by Agent of (i) a satisfactory field exam and appraisal of the Interiors One Acquisition assets in the sole discretion of Agent, (ii) receipt of updated deposit account control agreements as required by Section 6.1 in form and substance satisfactory to Agent and (iii) receipt of Collateral Access Agreements for the locations listed in Schedule 3.12 of the Interiors One Asset Purchase Agreement in form and substance satisfactory to Agent.

**"Data Protection Laws"** means any and all applicable foreign or domestic (including U.S. federal, state and local), statutes, ordinances, orders, rules, regulations, judgments, governmental approvals, or any other requirements of Governmental Authorities relating to the privacy, security,



notification of breaches or confidentiality of personal data (including individually identifiable information) and other sensitive information.

**"Default"** means any event or circumstance which with notice or passage of time, or both, would constitute an Event of Default.

**"Default Rate"** has the meaning set forth in Section 3.1(a).

**"Defaulting Lender"** means any Lender that (a) has failed, within one Business Day of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to Agent or any other Lender any other amount required to be paid by it hereunder, (b) has notified Borrower Representative or Agent in writing, or it or its parent has made a public statement, to the effect that it does not intend or expect to comply with any of its funding obligations under this Agreement or generally under other agreements in which it or its parent commits to extend credit, (c) has failed, within two Business Days after request by Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans under this Agreement, **provided**, that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Agent's receipt of such certification in form and substance satisfactory to Agent, (d) had an involuntary proceeding commenced or an involuntary petition filed seeking (i) liquidation, reorganization or other relief in respect of such Lender or its parent or its or its parent's debts, or of a substantial part of its or its parent's assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Lender or its parent or for a substantial part of its or its parent's assets, or (e) shall have or whose parent shall have (i) voluntarily commenced any proceeding or filed any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consented to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (d) of this definition, (iii) applied for or consented to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for it or a substantial part of its assets, (iv) filed an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) made a general assignment for the benefit of creditors, (vi) become the subject of a Bail-In Action, or (vii) taken any action for the purpose of effecting any of the foregoing.

**"Dilution"** means, as of any date of determination, a percentage, based upon the experience of the immediately prior twelve (12) months, that is the result of dividing the Dollar Equivalent Amount of (a) bad debt write-downs, discounts, advertising allowances, credits, or other dilutive items with respect to a Borrower's Accounts during such period by (b) such Borrower's billings with respect to Accounts during such period.

**"Dilution Reserve"** has the meaning set forth in Section 1(b)(i) of Annex I. **"Disqualified Equity Interests"** means any Equity

Interests which, by their terms (or

by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise, or are redeemable at the option of the holder thereof (other than for Qualified Equity Interests), in whole or in part, on or prior to 90 days following the Maturity Date at the time such Equity Interest is issued, (b) is or becomes convertible into or exchangeable (unless at the sole

option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests that would constitute Disqualified Equity Interests, in each case at any time on or

prior to 90 days following the Maturity Date at the time such Equity Interest is issued, (c) contains any mandatory repurchase obligation which may come into effect prior to the Maturity Date or (d) provides for the scheduled payments of dividends in cash on or prior to 90 days following the Maturity Date at the time such Equity Interest is issued.

**"Dividends"** mean any direct or indirect distribution, dividend, or payment of cash or other property of any kind to any Person on account of any Equity Interests of a Loan Party.

**"Division"** in reference to any Person which is an entity, means the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity. The word **"Divide"** when capitalized, shall have a correlative meaning.

**"Dollar Equivalent Amount"** means, at any time, (a) as to any amount denominated in Dollars, the amount thereof at such time, and (b) as to any amount denominated in a currency other than Dollars, the equivalent amount in Dollars as reasonably determined by Agent at such time that such amount could be converted into Dollars by Agent according to prevailing exchange rates selected by Agent.

**"Dollars"** or **"\$"** means United States Dollars.

**"Domestic Subsidiary"** means any Subsidiary of a Loan Party that is organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia

**"E-Signature"** means the process of attaching to or logically associating with an Approved Electronic Communication an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Approved Electronic Communication) with the intent to sign, authenticate or accept such Approved Electronic Communication.

**"Early Termination Fee"** has the meaning set forth in Section 3.2(e).

**"Earnout Payments"** means payments made in accordance with the Carpet One Asset Purchase Agreement's Section 4.3 to Carpet Remnant Outlet Inc.

**"Earnout Payment Conditions"** means as to the making of any such relevant Earnout Payments, the satisfaction as of the making of each such payment and after giving pro forma effect thereto of (i) the Payment Conditions and (ii) the conditions set forth in the definition of Earnout Amount (as defined in the Carpet One Purchase Agreement).

**"EBITDA"** means, without duplication for the applicable period, for the Loan Parties on a consolidated basis, the sum of (a) Net Income, plus (b) Interest Expense deducted in the calculation of such Net Income, plus (c) taxes on income, whether paid, payable or accrued, deducted in the calculation of such Net Income, plus (d) depreciation expense deducted in the calculation of such Net Income, plus (e) amortization expense deducted in the calculation of such Net Income, plus

(f) one-time, non-recurring reasonable and documented transaction expenses and closing fees (including fees and expenses of legal counsel) related to (i) the Closing Date Acquisition and the

negotiation and implementation of the Loan Documents (whether paid prior to on or after the Closing Date), in an aggregate amount not to exceed \$900,500 and paid within 90 days of the Closing Date and (ii) the First Amendment, the Carpet One Acquisition and the negotiation and implementation of the Loan Documents in connection therewith (whether paid prior to on or after the First Amendment Effective Date), in an aggregate amount not to exceed \$[300,000] and paid within 90 days of the First Amendment Effective Date plus (g) fees, costs, expenses and indemnities arising under the Management Agreement plus (h) any proceeds actually received in respect of business interruption or similar insurance policies plus (i) non-cash charges that have been deducted in the calculation of such Net Income, plus (j) one-time, non-recurring fees, charges, costs and expenses for such period in an amount not to exceed ten percent (10%) of EBITDA for such period (determined prior to giving effect to this clause (j) or such greater amount as may be consented to by the Agent), minus (k) any other non-cash gains that have been added in the calculation of such Net Income;

provided, that notwithstanding anything to the contrary contained herein, for each calendar month set forth in Schedule 1.1(b), EBITDA shall be deemed to be the amount set forth opposite such calendar month.

**“EEA Financial Institution”** means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

**“Eligible Account”** means, at any time of determination and subject to the criteria below, an Account of a Borrower, which was generated and billed by a Borrower in the Ordinary Course of Business, and which Agent, in its Permitted Discretion, deems to be an Eligible Account. The net amount of an Eligible Account at any time shall be the face amount of such Eligible Account as originally billed minus all customer deposits, unapplied cash collections and other Proceeds of such Account received from or on behalf of the Account Debtor thereunder as of such date and any and all returns, rebates, discounts (which may, at Agent's option, be calculated on shortest terms), credits, allowances or excise Taxes of any nature at any time issued, owing, claimed by Account Debtors, granted, outstanding or payable in connection with such Accounts at such time. Without limiting the generality of the foregoing, the following Accounts shall not be Eligible Accounts:

(i) the Account Debtor or any of its Affiliates is a Loan Party or an Affiliate of any Loan Party;

(ii) it remains unpaid longer than the earlier to occur of (A) the number of days after the original **invoice date** set forth in Section 4(a) of Annex I or (B) the number of days after the original **invoice due date** set forth in Section 4(b) of Annex I;

(iii) the Account Debtor or its Affiliates are past any of the applicable dates referenced in clause (ii) above on other Accounts owing to a Borrower comprising more

than fifty percent (50%) of all of the Accounts owing to a Borrower by such Account Debtor or its Affiliates;

(iv) all Accounts owing by the Account Debtor or its Affiliates represent more than twenty percent (20%) of all other Accounts; *provided*, that Accounts which are deemed to be ineligible solely by reason of this clause (iv) shall be considered Eligible Accounts to the extent of the amount thereof which does not exceed twenty percent (20%) of all other Accounts;

(v) a covenant, representation or warranty contained in this Agreement or any other Loan Document with respect to such Account (including any of the representations set forth in Section 7.4) has been breached in any material respect (except where such covenant, representation or warranty is already qualified by Material Adverse Effect, materiality or similar qualifications, in which case such covenant, representation or warranty shall be has been breached in any respect);

(vi) the Account is subject to any contra relationship, counterclaim, dispute deposit, or set-off; *provided*, that Accounts which are deemed to be ineligible by reason of this clause (vi) shall be considered ineligible only to the extent of such applicable contra relationship, counterclaim, dispute or set-off;

(vii) the Account Debtor's chief executive office or principal place of business is located outside of the United States, unless the Account is supported by a letter of credit or credit insurance satisfactory to Agent in its Permitted Discretion;

(viii) it is payable in a currency other than Dollars;

(ix) it (a) is not absolutely owing to a Borrower or (b) arises from a sale on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment, retainage or any other repurchase or return basis or (c) consist of progress billings or other advance billings that are due prior to the completion of performance by a Borrower of the subject contract for goods or services;

(x) the Account Debtor is the United States of America or any state or political subdivision (or any department, agency or instrumentality thereof), unless such Borrower has complied with the Assignment of Claims Act or other applicable similar state or local law in a manner reasonably satisfactory to Agent;

(xi) it is not at all times subject to Agent's duly perfected, first-priority security interest or is subject to any other Lien, or the goods giving rise to such Account were, at the time of sale, subject to any Lien except a Permitted Lien (solely of the type specified in subclauses (c), (d), (g) or (r) of the definition thereof);

(xii) it is evidenced by Chattel Paper or an Instrument of any kind (unless such Chattel Paper or Instrument is delivered to Agent in accordance with Section 5.2) or has been reduced to judgment;

(xiii) the Account Debtor's total indebtedness to Borrowers exceeds the amount of any credit limit established by Borrowers or Agent or the Account Debtor is otherwise

deemed not to be creditworthy by Agent in its Permitted Discretion; *provided*, that Accounts which are deemed to be ineligible solely by reason of this clause (xiii) shall be

considered Eligible Accounts to the extent the amount of such Accounts does not exceed the lower of such credit limits;

(xiv) there are facts or circumstances existing, or which could reasonably be anticipated to occur, which could reasonably be expected to result in a material adverse change in the Account Debtor's financial condition or materially impair or delay the collectability of all or any portion of such Account as determined by Agent in its Permitted Discretion;

(xv) Agent has not been furnished with all documents and other information pertaining to such Account which Agent has requested, or which any Borrower is obligated to deliver to Agent, pursuant to this Agreement;

(xvi) any Borrower has made an agreement with the Account Debtor to extend the time of payment thereof beyond the time periods set forth in clause (ii) above;

(xvii) any Borrower has posted a surety or other bond in respect of the contract or transaction under which such Account arose;

(xviii) the Account Debtor is subject to any proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law or is subject to any Sanctions or any specially designated nationals list maintained by OFAC or any Governmental Authority;

(xix) the sale giving rise to such Account is on cash in advance or cash on delivery terms;

(xx) the goods giving rise to such Account have been sold by a Borrower to the Account Debtor outside such Borrower's Ordinary Course of Business or the services giving rise to such Account have been performed by Borrower outside such Borrower's Ordinary Course of Business;

(xxi) any Accounts of Account Debtors against whom the materialmen, laborers or suppliers of any of the Loan Parties have Liens;

(xxii) Accounts that have not been earned by performance or do not represent bona fide amounts due to the Borrower from an Account Debtor; or

(xxiii) Accounts with respect to which (i) the goods giving rise to such Account have not been shipped and billed to the Account Debtor, or (ii) the services giving rise to such Account have not been performed and billed to the Account Debtor.

**"Eligible Inventory"** means, at any time of determination and subject to the criteria below, Inventory owned by Borrower consisting of finished goods, merchantable and readily saleable in the Borrower's Ordinary Course of Business which Agent, in its Permitted Discretion, deems to be Eligible Inventory; provided, that it is acknowledged and agreed that the Agent shall not deem Inventory ineligible solely due to the failure to deliver a Collateral Access Agreement (after the use of commercially reasonable efforts by the Borrowers to obtain such Collateral Access Agreement) with respect to the location where such Inventory is stored. Without limiting the generality of the foregoing, the following Inventory will not be Eligible Inventory:



- (i) it consists of work-in-progress;
- (ii) it is not in good, new and saleable condition;
- (iii) it is slow-moving, obsolete, damaged, perishable, shopworn, contaminated, unmerchantable, returned, rejected, discontinued or repossessed;
- (iv) other than with respect to any of the locations listed in Section 1(c) of the Perfection Certificate on the Closing Date, it is in the possession of a processor, consignee or bailee, or located on premises leased or subleased to a Borrower, or on premises subject to a mortgage in favor of a Person other than Agent, unless such processor, consignee, bailee or mortgagee or the lessor or sublessor of such premises, as the case may be, has executed and delivered all documentation which Agent shall require to evidence the subordination or other limitation or extinguishment of such Person's rights with respect to such Inventory and Agent's right to gain access thereto; *provided*, that, at the election of Agent in its sole discretion, this clause (iv) may be waived with respect to Inventory located on a premises for which Agent has established a rent or other similar Reserve satisfactory to Agent in its sole discretion;
- (v) it consists of fabricated parts, spare parts, restrictive or custom items, supplies used or consumed in a Borrower's business, packaging materials, shipping materials, or bill and hold goods;
- (vi) it fails to meet all material standards imposed by any Governmental Authority;
- (vii) it does not conform in all material respects to any covenants, warranties and representations applicable to Eligible Inventory set forth in this Agreement and each other Loan Document (except where such covenant, warranty or representation is already qualified by Material Adverse Effect, materiality or similar qualifications, in which case, it does not conform in all respects);
- (viii) it is not at all times subject to Agent's duly perfected, first priority security interest and no other Lien except a Permitted Lien (solely of the type specified in subclauses (c), (d), (g) or (r)) of the definition thereof;
- (ix) it is purchased or manufactured pursuant to a license agreement that is not assignable to each of Agent and its transferees;
- (x) it is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party (a) from which a Borrower has received written notice of an unresolved dispute in respect of any such agreement relating to the use of such license by Borrower or (b) which would require the payment of fees or royalties to, or the consent of, the licensor under such agreement for any sale or other disposition of such Inventory by Agent, unless Agent has imposed a Reserve for the payment of any such fees or royalties;
- (xi) it is situated at a Collateral location not listed in Section 1(c) of the Perfection Certificate or other location of which Agent has been notified as required by Section 7.9 (or it is in-transit other than in transit between a Borrower's facilities);



- (xii) it has been sold but not yet delivered;
- (xiii) it is not subject to a Borrower having actual and exclusive possession thereof (either directly or through a bailee or agent of a Borrower);
- (xiv) it is not insured as required by this Agreement;
- (xv) it is not reflected in the details of a current perpetual inventory report, which report shall be satisfactory to Agent in its Permitted Discretion;
- (xvi) it is held on consignment, or subject to a deposit or down payment;
- (xvii) it is not subject to the Borrower having good, valid and marketable title thereto;
- (xviii) it has been acquired from a Sanctioned Person;
- (xix) it is the subject of a bill of lading or other document of title, except for documents of title with respect to Inventory stored at a warehouse or with another bailee, so long as (i) such bill of lading or other document of title is (x) negotiable, (y) made to the order of Agent and (z) is in the possession of Agent or its agent, bailee or other designee, and (ii) such warehouseman or other bailee has entered into an agreement with Agent regarding access, handling and lien priority with respect to such Inventory in form and substance satisfactory to Agent in its Permitted Discretion;
- (xx) It is subject to any agreement whereby the seller, vender, or supplier has retained any title to such Inventory or the right to repurchase such Inventory; or
- (xxi) it is located outside of the continental United States or Canada. "**Enforcement Action**" means any action to enforce any Obligations or Loan

Documents or to exercise any rights or remedies relating to any Collateral, whether by judicial action, self-help, notification of Account Debtors, setoff or recoupment, credit bid, deed in lieu of foreclosure, action in any proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law or otherwise.

**"Environmental Laws"** means any and all applicable current and future laws relating to (a) protection of natural resources, wildlife and the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment including ambient air, surface, water, ground water, or land and (b) human health and safety as affected by Hazardous Materials and all analogous state laws and regulation.

**"Environmental Liability"** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials,

(c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**"Environmental Permits"** means any and all permits, licenses, registrations, notifications, exemptions and any other authorization required under any applicable Environmental Law.

**"Equity Interests"** means, as applied to any Person, any capital stock, membership interests, partnership interests, limited liability company interests or other equity interests of such Person, regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

**"Equity Notice Trigger"** means the period occurring at all times after the occurrence of (i) the permanent reduction of the Additional Availability Amount to \$0 and (ii) the outstanding principal balance of the M&E Term Loan being reduced below \$2,082,000.

**"ERISA"** means the Employee Retirement Income Security Act of 1974 and all rules, regulations and orders promulgated thereunder.

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

**"ERISA Event"** means: (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a **"substantial employer"** as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party or any ERISA Affiliate.

**"EU Bail-In Legislation Schedule"** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**"Event of Default"** has the meaning set forth in Section 11.1.

**"Excess Availability"** means the amount, as determined by Agent in its Permitted Discretion, calculated at any date, equal to the sum of (a) the lesser of (i) the Maximum Revolving Facility Amount, and (ii) the Borrowing Base, minus (b) the sum of (i) the outstanding balance of all Revolving Loans, the Letter of Credit Balance and Swingline Loans plus (ii) fees and expenses which are due and payable by any Borrower under this Agreement but which have not been paid or charged to the Loan Account; **provided**, that if any of the Loan Limits for Revolving Loans is exceeded as of the date of calculation, then Excess Availability shall be zero.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended. “*Excluded Collateral*” means any of the following:

(a) the voting Equity Interests of any Excluded Subsidiary (as described in clause (a), (b) or (c) of the definition of “Excluded Subsidiaries”) of a Loan Party, in each case, in excess of 65% of the issued and outstanding voting Equity Interests of any such Person;

(b) motor vehicles and other assets subject to certificates of title (other than to the extent perfection of the security interest in such assets is accomplished solely by the filing of a UCC financing statement), solely to the extent it is intended such assets will be Floorable Sold Assets; provided, that such assets will cease to become “Excluded Collateral” to the extent such assets are not sold as Floorable Sold Assets within six (6) months of the acquisition or completion thereof;

(c) any Restricted Accounts (other than any deposit accounts described in clauses (d) or (e) of the definition of “Restricted Accounts”);

(d) any intent-to-use United States trademark application for which an amendment to allege use or statement of use has not been filed or, if filed, has not been deemed in conformance with 15 U.S.C. §1051(a) or examined and accepted by the United States Patent and Trademark Office (provided, that each such intent-to-use application shall be considered Collateral immediately and automatically upon such acceptance);

(e) any contract, lease, license, permit or other General Intangible, any asset embodying rights, priorities or privileges granted under such contracts, leases, licenses, permits or General Intangibles or any property subject to a purchase money security interest or similar arrangement which by its terms cannot be pledged or transferred by such Loan Party, or to the extent that granting a security interest therein would violate, invalidate or result in a breach or default under such contract, lease, license, permit, General Intangible or purchase money arrangement or create a right of acceleration, modification, termination or cancellation in favor of any other party thereto (other than any Loan Party) (in each case after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law) (but excluding any contract, lease, license, permit or other General Intangible, any asset embodying rights, priorities or privileges granted under such contracts, leases, licenses, permits or General Intangibles or any property that relate to an Account Debtor and affect any Accounts);

(f) any assets owned on or acquired after the Closing Date, to the extent that, and for so long as, the granting of a security interest in such assets would violate or is prohibited by applicable law or requires a consent not obtained of any Governmental Authority pursuant to such applicable law (in each case after giving effect to Sections 9-406(d), 9-407(a), 9-408(a) or 9-409 of the UCC (or any successor provision or provisions) or any other applicable law) (but excluding any contract, lease, license, permit or other General Intangible, any asset embodying rights, priorities or privileges granted under such contracts, leases, licenses, permits or General Intangibles or any property that relate to an Account Debtor and affect any Accounts); and

(g) any assets as to which Agent and Borrower Representative shall determine that the costs and burdens of obtaining a security interest therein outweigh the benefit to the Lenders of the security afforded thereby (but excluding any asset with respect to an Account Debtor that affect any

Accounts); *provided*, that Excluded Collateral shall not include any Proceeds, substitutions or replacements of any Excluded Collateral referred to in clauses (a)through (g) (unless such Proceeds,

substitutions or replacements would constitute Excluded Collateral referred to in clauses (a) through (g)).

**"Excluded Subsidiary"** means any Subsidiary that is (a) a CFC, (b) a Foreign Subsidiary owned, directly or indirectly, by a Foreign Subsidiary described in clause (a) of this definition, (c) a Domestic Subsidiary owned directly or indirectly, by a Foreign Subsidiary described in clause (a) of this definition or (d) any Subsidiary that has no material assets other than the equity or debt interests of one or more Subsidiaries described in clause (a) of this definition Subsidiary constitute an Excluded Subsidiary.

**"Excluded Taxes"** means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of Agent or any Lender, its lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof); (b) in the case of a Non-U.S. Recipient (as defined in Section 13(e)), U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Non-U.S. Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which Non-U.S. Recipient becomes a party to this Agreement or acquires a participation, except in each case to the extent that, pursuant to Section 13 amounts with respect to such Taxes were payable to such Non-U.S. Recipient assignor (or Lender granting such participation) immediately before such assignment or grant of participation; (c) United States federal withholding Taxes that would not have been imposed but for such Recipient's failure to comply with Section 13(e) (except where the failure to comply with Section 13(e) was the result of a change in law, ruling, regulation, treaty, directive, or interpretation thereof by a Governmental Authority after the date the Recipient became a party to this Agreement or a Participant) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

**"Extraordinary Receipts"** means any cash or cash equivalents received by or paid to or for the account of any Loan Party not in the ordinary course of business, including amounts received in respect of foreign, United States, state or local tax refunds, purchase price adjustments, indemnification payments (other than proceeds used to pay related third-party claims and expenses or in respect of actual costs or damages incurred by any Loan Party (whether in the form of reimbursement for previously incurred items or payments to be used for future costs or damages)) and pension plan reversions.

**"FATCA"** means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

**"FIRREA"** means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

**"First Amendment Effective Date"** means October 13, 2023.

**"Fiscal Year"** means the fiscal year of Loan Parties which ends on September 30 of each year.

**"Fixed Charge Coverage Ratio"** means the ratio of (a) EBITDA for the most recently ended twelve-month period, minus unfinanced Net Capital Expenditures of the Loan Parties on a consolidated basis for such period, to (b) Fixed Charges for such period.

**"Fixed Charges"** means, for the period in question, on a consolidated basis and without duplication, the sum of (a) all principal payments scheduled or required to be made in cash during or with respect to such period in respect of Indebtedness of the Loan Parties (other than Revolving Loans), plus (b) all Interest Expense of the Loan Parties for such period paid or required to be paid in cash attributable to such period, plus (c) all Taxes of the Loan Parties paid or required to be paid for such period, plus (d) all cash distributions (including Permitted Tax Distributions, if applicable), dividends, redemptions and other cash payments made or required to be made during such period with respect to equity securities issued by any Loan Party plus (e) to the extent actually paid in cash, fees arising under the Management Agreement. Notwithstanding the foregoing, the amounts for each of the items set forth in subclauses (a) and (b) for the month ended December 31, 2022 and the eleven months ended prior to such date shall be the amounts set forth under the corresponding heading for each such month as set forth on Schedule 1.1(c).

**"Floor"** means a per annum rate equal to 1.00%.

**"Floorable Sold Asset"** means assets of Floorable which have been sold in connection with Floorable's franchising business.

**"Floorable Sold Asset Capital Expenditures"** means, for any period, the aggregate amount of all Capital Expenditures during period attributable to any Floorable Sold Asset.

**"Flooring Merger"** means the merger of former Loan Parties 7 Day Stone, Inc., K2L Leasing, LLC, SJ & K Equipment, Inc into Flooring Liquidators, Inc.

**"Foreign Subsidiary"** means any Subsidiary of a Loan Party that does not constitute a Domestic Subsidiary.

**"Fourth Amendment Effective Date"** means January 9, 2025.

**"FRB"** means the Board of Governors of the Federal Reserve System or any successor thereto.

**"Funding Account"** has the meaning set forth in Section 2.3(a).

**"GAAP"** means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the United States accounting profession) which are applicable to the circumstances as of the date of determination, in each case consistently applied.

**"Global Intercompany Note"** means the intercompany demand promissory note pledged to Agent.

**"Governing Documents"** means, with respect to any Person, the certificate of incorporation, articles of incorporation, certificate of formation, certificate of limited partnership,

by-laws, operating agreement, limited liability company agreement, limited partnership agreement or other similar governance document of such Person.

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

**"Guaranty" or "Guaranteed"**, as applied to any Indebtedness, liability or other obligation, means (a) a guaranty, directly or indirectly, in any manner, including by way of endorsement (other than endorsements of negotiable instruments for collection in the Ordinary Course of Business), of any part or all of such Indebtedness, liability or obligation and (b) an agreement, contingent or otherwise, and whether or not constituting a guaranty, assuring, or intended to assure, the payment or performance (or payment of damages in the event of non-performance) of any part or all of such Indebtedness, liability or obligation by any means (including the purchase of securities or obligations, the purchase or sale of property or services or the supplying of funds).

**"Guarantor" or "Guarantors"** has the meaning set forth in the preamble to this Agreement and includes any Loan Party other than a Borrower.

**"Guarantor Payment"** has the meaning set forth in Section 2.12(f)(i).

**"Hazardous Materials"** means (a) any explosive or radioactive substances or wastes, (b) any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under, or that would reasonably be expected to give rise to liability under, any applicable Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, and (c) any coal ash, coal combustion by-products or waste, boiler slag, scrubber residue or flue desulphurization residue ("**CCR**"), except that CCR beneficially re-used shall not be considered a Hazardous Material.

**"Indebtedness"** means (without duplication), with respect to any Person, (a) all obligations or liabilities of such Person, contingent or otherwise, for borrowed money, (b) all obligations of such Person represented by promissory notes, bonds, debentures or the like, or on which interest charges are customarily paid, (c) all liabilities secured by any Lien on such Person's property owned or acquired, whether or not such liability shall have been assumed by such Person, (d) all obligations of such Person under conditional sale or other title-retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables which are less than ninety days past the invoice date incurred in the Ordinary Course of Business, but including the maximum potential amount payable under any earn-out or similar obligations), (f) all Capitalized Leases of such Person, (g) all obligations (contingent or otherwise) of such Person as an account party or applicant in respect of letters of credit and bankers' acceptances or in respect of financial or other hedging obligations, (h) all Equity Interests issued by such Person subject to repurchase or redemption at any time on or prior to the Scheduled Maturity Date (valued at, in the case of redeemable preferred Equity Interests, the greater of the voluntary liquidation preference and the involuntary liquidation preference of such Equity Interests plus accrued and unpaid dividends), other than voluntary repurchases or redemptions that are at the sole option of such Person, (i) all principal outstanding under any synthetic lease, off-balance sheet loan or similar financing product of such



Person and (j) all Guaranties, endorsements (other than for collection in the Ordinary Course of Business) and other contingent obligations of such Person in respect of the obligations of others.

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

**"Initial Borrower"** has the meaning set forth in the preamble to this Agreement.

**"Intellectual Property"** means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks and trademark licenses and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**"Interiors One Acquisition"** means the acquisition of substantially all of the assets of Interiors One, Inc. as contemplated by the Interiors One Acquisition Documents.

**"Interiors One Acquisition Documents"** means the Interiors One Asset Purchase Agreement and all material documents executed in connection with such agreement.

**"Interiors One Asset Purchase Agreement"** means that certain Asset Purchase Agreement dated as of November 30, 2023 by and among CRO Affiliated, LLC, Interiors One, Inc., as Seller Representative (as defined therein) and each of the Sellers (as defined therein) party thereto.

**"Interiors One Payment Conditions"** means as to the making of any such relevant payment of Deferred Consideration or Additional Deferred Consideration (as both are defined in the Interiors One Asset Purchase Agreement as in effect on the Second Amendment Effective Date), the satisfaction as of the making of each such payment and after giving pro forma effect thereto of (i) the Payment Conditions and (ii) the conditions set forth in Section 2.5 of the Interiors One Asset Purchase Agreement (as in effect on the Second Amendment Effective Date).

**"Interest Expense"** means, for the applicable period, for the Loan Parties on a consolidated basis, total interest expense (including interest attributable to Capitalized Leases in accordance with GAAP) and fees with respect to outstanding Indebtedness.

**"Inventory Advance Rate"** means the percentage(s) set forth in Section 1(b)(ii) of

Annex I.

**"Inventory Sublimit"** means the amount(s) set forth in Section 1(d) of Annex I. **"Investment"** in any Person mean, as of the date of determination,:

(a) any payment or contribution, or commitment to make a payment or contribution, in or to such Person including property contributed or committed to be contributed to such Person for or in connection with its acquisition of any stock, bonds, notes, indebtedness, debentures, partnership or other ownership interest or any other security of such Person;

(b) any payment or contribution, or commitment to make a payment or contribution, for all or any substantial part of the assets, business or property of such Person (or of any division, operating unit or business line of such other Person);

(c) any loan, advance or other extension of credit or guaranty of or other surety obligation with respect to the Equity Interests, Indebtedness or other obligations of, or any contributions to the capital of, or for the benefit of, such Person; and

(d) any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

In determining the aggregate amount of Investments outstanding at any particular time, (A) a guaranty (or other surety obligation) shall be valued at not less than the principal outstanding amount of the primary obligation; (B) returns of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution) shall be deducted; (C) earnings, whether as dividends, interest or otherwise, shall not be deducted; and (D) decreases in the market value shall not be deducted unless such decreases are computed in accordance with GAAP.

**"Investment Property"** means the collective reference to (a) all **"investment property"** as such term is defined in Section 9-102 of the UCC, (b) all **"financial assets"** as such term is defined in Section 8-102(a)(9) of the UCC and (c) whether or not constituting **"investment property"** as so defined, all Pledged Equity.

**"Isaac Capital Group"** means

**"Issuers"** means the collective reference to each issuer of Investment Property.

**"Lender"** means each Person listed on the Commitment Schedule and any other Person that shall have become a Lender hereunder pursuant to an Assignment and Assumption, other than any such Person that ceases to be a Lender hereunder pursuant to an Assignment and Assumption. Unless the context expressly provides otherwise, "Lender" shall include the Swingline Lender.

**"Letter of Credit"** has the meaning set forth in Section 2.1(a).

**"Letter of Credit Balance"** means the sum of (a) the aggregate undrawn face amount of all outstanding Letters of Credit and (b) all interest, fees and costs in connection therewith.

**"Letter of Credit Limit"** means the amount set forth in Section 1(c) of Annex I.

**"Lien"** means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest or other security arrangement and any other preference, priority, or preferential arrangement in the nature of a security interest of any kind or nature whatsoever, including any conditional sale contract or other title-retention agreement, the interest of a lessor under a Capitalized Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

**"Loan Account"** has the meaning set forth in Section 3.4.

**"Loan Documents"** means, collectively, this Agreement (including the Perfection Certificate(s) and all other attachments, annexes and exhibits hereto) and all notes, guaranties,

security agreements, mortgages, Borrowing Base Calculations, Compliance Certificates, other certificates, pledge agreements, Collateral Access Agreements, Lock Box and Blocked Account agreements, the Validity and Support Agreement(s), the Subordinated Debt Subordination Agreement and all other agreements, documents and instruments now or hereafter executed or delivered by any Borrower, any Loan Party, or any Other Obligor in connection with, or to evidence the transactions contemplated by, this Agreement.

**"Loan Guaranty"** means the obligations of Loan Parties pursuant to Section 12.

**"Loan Limits"** means, collectively, the Loan Limits for Revolving Loans set forth in Section 1 of Annex I and all other limits on the amount of Loans set forth in this Agreement.

**"Loan Party"** means, individually, each Initial Borrower, Borrower, Parent and each other Guarantor, or any Subsidiary; and **"Loan Parties"** means, collectively, each Initial Borrower, each Borrower and each Guarantor and all other Subsidiaries. **provided**, that no Excluded Subsidiary shall be a "Loan Party".

**"Loans"** means, collectively, the Revolving Loans (including any Protective Advances and Overadvances) and the Swingline Loans.

**"Lock Box"** has the meaning set forth in Section 6.1.

**"Management Agreement"** means that certain Advisory Services Agreement dated as of the date hereof by and among Sponsor, Borrowers, Parent and the other Guarantors.

**"Material Adverse Effect"** means any event, act, omission, condition or circumstance which has a material adverse effect on any of (a) the operations, business, assets, properties, financial condition or operating results of the Loan Parties taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to fully and timely perform any of their obligations under any Loan Document to which they are parties, (c) the rights and remedies of any Agent or any Lender under any Loan Document, or (d) the validity, perfection or priority of a Lien in favor of Agent for the benefit of the Lenders on any of the Collateral.

**"Material Contract"** means has the meaning set forth in Section 7.18.

**"Maturity Date"** means the earlier of (i) Scheduled Maturity Date, (ii) the Termination Date, or (iii) such earlier date as the Obligations may be accelerated in accordance with the terms of this Agreement (including pursuant to Section 11.2).

**"Maximum Lawful Rate"** has the meaning set forth in Section 3.5.

**"Maximum Liability"** has the meaning set forth in Section 12.9.

**"Maximum Revolving Facility Amount"** means the amount set forth in Section 1(a) of Annex I.

**"M&E Term Loan"** has the meaning set forth in Section 2.1(c).

**"M&E Term Loan Amount"** means the initial principal amount set forth in Section

2(a)(ii) of Annex I.

**"M&E Term Loan Commitment"** means (a) as to any Lender, the aggregate commitment of such Lender to make the M&E Term Loan as set forth in the Commitment Schedule or in the most recent Assignment and Assumption to which it is a party (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make the M&E Term Loan, which aggregate commitment shall be in an amount equal to the M&E Term Loan Amount.

**"Minimum Excess Availability Amount"** means \$750,000.

**"Mountain Flooring Creation"** means the creation of Rocky Mountain Wholesale Flooring, Inc.

**"Multiemployer Plan"** means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

**"Net Consolidated Expenditures"** means, for any period, the amount of Capital Expenditures made during such period *minus* the Floorable Sold Asset Capital Expenditures during such period.

**"Net Income"** means, for the applicable period, for the Loan Parties on a consolidated basis, as applicable, the net income (or loss) of the Loan Parties on a consolidated basis, as applicable, for such period, excluding any gains or non-cash losses from dispositions, any extraordinary gains or extraordinary non-cash losses and any gains or non-cash losses from discontinued operations, of the Loan Parties on a consolidated basis, as applicable, for such period.

**"NOLV"** means the applicable net orderly liquidation value as determined by the most current third-party appraisal report, performed by an appraisal firm retained by Agent for such appraisal project with respect to the Eligible Inventory, and in form and substance acceptable to Agent.

**"Non-Consenting Lender"** has the meaning set forth in Section 15.5(b). **"Non-Paying Guarantor"** has the meaning set forth in Section 12.10. **"Non-U.S. Recipient"** has the meaning set forth in Section 13(c)(ii). **"Notice of**

**Borrowing"** has the meaning set forth in Section 2.3(a).

**"Obligations"** means all present and future Loans, advances, debts, liabilities, fees, costs, expenses, obligations, guaranties, covenants, duties and indebtedness at any time owing by any Borrower or any Loan Party to Agent and/or Lenders, whether evidenced by this Agreement, any other Loan Document, whether arising from an extension of credit, opening of a Letter of Credit, guaranty, indemnification or otherwise, whether direct or indirect (including those acquired by assignment and any participation by any Lender in any Borrower's or Loan Party's indebtedness owing under the Loan Documents), whether direct or indirect (including those acquired by assumption), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, and including interest, fees, costs, expenses and indemnities arising before or

after the commencement of a proceeding under the Bankruptcy Code or any similar statute whether or not a claim for post-filing or post-petition interest,

fees, costs, expenses, indemnities or other amounts is allowable or allowed in such proceeding. Any reference in this Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior to and after the commencement of any proceeding under the Bankruptcy Code or any similar statute.

**"OFAC"** means Office of Foreign Assets Control of the U.S. Treasury Department.

**"Ordinary Course of Business"** means, in respect of any transaction involving any Person, the ordinary course of business of such Person, as conducted by such Person as of the Closing Date and any practices that are utilized to improve past practices or to conform with customary operating procedures for a similar business, as reasonably determined by such Person.

**"Other Obligor"** means any guarantor, endorser, acceptor, surety or other Person liable on, or with respect to, any of the Obligations or who is the owner of any property which is security for any of the Obligations other than any Loan Party.

**"Other Taxes"** means all present or future stamp, court or documentary, property, excise, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

**"Overadvances"** has the meaning set forth in Section 2.2(b).

**"Paid in Full", "Pay in Full", "Paying in Full" or "Payment in Full"** means, with respect to any Obligations, (i) the payment in full in cash (or other consideration acceptable to the recipient thereof) of all such Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted) and (ii) the termination or expiration of all of the Commitments.

**"Parent"** means Flooring Affiliated Holdings, LLC. **"Participant"** has the meaning set forth in Section

15.10. **"Paying Guarantor"** has the meaning set forth in Section 12.10.

**"Payment Conditions"** means as to the making of any such relevant payment, the satisfaction as of the making of each such payment and after giving pro forma effect thereto, of each of the following conditions: (a) no Default or Event of Default exists or has occurred and is continuing; (b) the Fixed Charge Coverage Ratio is greater than 1.10:1.00 (recomputed as of the last day of the most recent month for which the monthly financial statements of Loan Parties and the related Compliance Certificate have been or are required to have been delivered to Agent under this, for the twelve consecutive calendar month period then ended, and assuming such payment is paid on the last day of such period), and (c) pro forma Average Excess Availability for the consecutive 30-day period immediately preceding such payment shall be equal to or greater than \$750,000 (assuming such payment and any Loan made to finance such payment shall have occurred on the first day of such period) and (ii) pro forma Excess Availability immediately after giving effect to such payment shall be equal to or greater than \$750,000; **provided** that Agent shall have received a certificate, signed by an authorized officer of Borrower Representative, certifying satisfaction of the conditions set forth in this definition at least five (5) Business Days prior to the date of the payment,



with supporting calculations and otherwise in form and substance acceptable to Agent in its Permitted Discretion.

**"PBG"** means the Pension Benefit Guaranty Corporation.

**"Pension Act"** means the Pension Protection Act of 2006.

**"Pension Funding Rules"** means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA, and any sections of the Code or ERISA related thereto that are enacted after the date of this Agreement.

**"Pension Plan"** means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by a Loan Party and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

**"Perfection Certificate"** means the Perfection Certificate attached to this Agreement as of the Closing Date, together with any updates thereto as contemplated by this Agreement or otherwise permitted by Agent from time to time.

**"Periodic Term SOFR Determination Day"** has the meaning specified therefor in the definition of "Term SOFR".

**"Permitted Discretion"** means a determination made by Agent in good faith and in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

**"Permitted Holder"** means each of (a) the Sponsor and (b) any "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members with beneficial ownership, directly or indirectly, of more than 51% (on a fully diluted basis) of the aggregate outstanding voting and economic power of the Equity Interests of Parent held by such "group".

**"Permitted Indebtedness"** means:

(a) the Obligations;

(b) the Indebtedness (other than the Subordinated Debt) existing on the date hereof described in Section 7 of the Perfection Certificate; in each case along with extensions, refinancings, modifications, amendments and restatements thereof; **provided**, that (i) the principal amount thereof is not increased, (ii) if secured by a Permitted Lien, no additional collateral beyond that existing as of the Closing Date is granted to secure such Indebtedness; (iii) if such Indebtedness is subordinated to any or all of the Obligations, the applicable subordination terms shall not be modified without the prior written consent of Agent and (iv) the terms thereof are not modified to impose more burdensome terms upon any Loan Party;



- (c) Capitalized Leases and purchase-money Indebtedness secured by Permitted Liens in an aggregate amount not exceeding \$250,000 at any time outstanding;
- (d) Indebtedness incurred as a result of endorsing negotiable instruments received in the Ordinary Course of Business;
- (e) reserved;
- (f) the Subordinated Debt owing by Borrower in an aggregate amount not exceeding \$500,000 at any time outstanding and then solely to the extent the Subordinated Debt is subject to, and permitted by, the Subordinated Debt Subordination Agreement.
- (g) Indebtedness consisting of unpaid insurance premiums owing to insurance companies and insurance brokers incurred in connection with the financing of insurance premiums in the Ordinary Course of Business;
- (h) Guaranties in the Ordinary Course of Business of the obligations of suppliers, customers, lessors, franchisees, licensees and other trade creditors of any Loan Party and any other Guaranties permitted by Section 8.2;
- (i) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the Ordinary Course of Business;
- (j) Indebtedness arising as a direct result of judgments, orders, awards or decrees against any Loan Party, in each case not constituting an Event of Default;
- (k) unsecured Indebtedness representing any Taxes subject to Permitted Protest;
- (l) Indebtedness consisting of promissory notes issued by any Loan Party to current or former officers, managers, consultants, directors and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests permitted by Section 8.4; **provided**, that such Indebtedness shall be unsecured and subject to the Subordinated Debt Subordination Agreement.
- (m) unsecured Indebtedness of a Loan Party owed to another Loan Party, so long as (i) such Indebtedness is evidenced by the Global Intercompany Note and (ii) a Loan Party which owes such Indebtedness is a Person organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia;
- (n) Indebtedness in respect of workers' compensation claims, self-insurance obligations, performance bonds, surety appeal or similar bonds and completion guarantees provided in the Ordinary Course of Business;
- (o) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the Ordinary Course of Business; **provided**, that such Indebtedness is extinguished within is extinguished within three (3) Business Days of incurrence;



- (p) Indebtedness incurred in the Ordinary Course of Business to finance insurance premiums;
- (q) Indebtedness in respect of netting services, overdraft protection and other similar arrangements in connection with deposit or securities accounts in the Ordinary Course of Business;
- (r) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or cash management services, in each case, incurred in the Ordinary Course of Business;
- (s) Indebtedness constituting customary indemnification, adjustment of purchase price or similar obligations (excluding earn-out obligations) incurred in connection with the Closing Date Acquisition;
- (t) unsecured contingent liabilities arising with respect to customary indemnification provisions or deferred purchase price adjustments in connection with any Investment permitted hereunder or in connection with any asset sale or other dispositions permitted hereunder;
- (u) other unsecured Indebtedness in an aggregate principal amount not exceeding \$500,000 at any time outstanding (excluding (i) Indebtedness of any Subsidiary that is not a Loan Party to any Loan Party and (ii) Indebtedness owing among Loan Parties);
- (v) Indebtedness arising under the Carpet One Subordinated Promissory Note (as in effect on the First Amendment Effective Date); and
- (w) Indebtedness arising under the Interiors One Asset Purchase Agreement constituting the Deferred Consideration and Additional Deferred Consideration (as both are defined in the Interiors One Acquisition Documents as in effect on the Second Amendment Effective Date).

**"Permitted Liens"** means:

- (a) Liens securing the Obligations;
- (b) purchase-money security interests in specific items of Equipment and Liens securing Capitalized Leases to the extent constituting Permitted Indebtedness described under clause (b) of the definition of Permitted Indebtedness;
- (c) Liens for unpaid Taxes, fees, assessments, or other governmental charges or levies that either (i) are not yet delinquent, or (ii) do not have priority over Agent's Liens and the underlying Taxes, fees, assessments, or charges or levies are the subject of Permitted Protests;
- (d) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, or laborers, incurred in the Ordinary Course of Business and

not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests;

(e) Liens which constitute banker's liens, rights of set-off, or similar rights as to deposit accounts or other funds maintained with a bank or other financial institution (but only to the extent such banker's liens, rights of set-off or other rights are in respect of customary service charges relative to such deposit accounts and other funds, and not in respect of any loans or other extensions of credit by such bank or other financial institution to any Loan Party);

(f) cash deposits or pledges of an aggregate amount not to exceed \$500,000 to secure the payment of worker's compensation, unemployment insurance, or other social security benefits or obligations, public or statutory obligations, surety or appeal bonds, bid or performance bonds, or other obligations of a like nature incurred in the Ordinary Course of Business;

(g) judgment Liens (other than for the payment of fees, Taxes, assessments, levies or other governmental charges) in respect of judgments that do not constitute an Event of Default;

(h) reserved;

(i) Liens on assets of the Loan Parties existing as of the Closing Date which (i) are set described on Schedule 1.1(a) attached hereto and (ii) any modification, replacement, refinancing, renewal or extension of any Lien referenced in clause (i) hereof; **provided**, the principal amount of the Indebtedness secured by such Liens shall not be extended, renewed, refunded or refinanced other than in accordance with clause (b) of the definition of Permitted Indebtedness;

(j) deposits and pledges of cash securing obligations incurred in respect of (i) the performance of bids, tenders, leases, contracts (other than for the payment of money) and statutory obligations or (ii) obligations on surety or appeal bonds, but only to the extent such deposits or pledges are made or otherwise arise in the Ordinary Course of Business and secure obligations not past due;

(k) easements, zoning restrictions, covenants, restrictions, conditions, declarations, development agreements and similar encumbrances on real property and minor irregularities in the title thereto and minor survey defects that do not (i) secure obligations for the payment of money or (ii) materially impair the value of such property or its use by a Loan Party or any of its Subsidiaries in the Ordinary Course of Business;

(l) licenses, sublicenses, leases or subleases granted in the Ordinary Course of Business to other Persons not materially interfering with the conduct of the business of the Loan Parties or any of their Subsidiaries;

(m) precautionary financing statement filings regarding operating leases;

(n) Liens in favor of insurers securing Indebtedness of the type described in and permitted by Section 8.1(f); **provided**, that such Liens attach solely to returned premiums in respect of such insurance policies and the proceeds of such policies;

(o) pledges or deposits of money securing contracts (other than contracts for the payment of money) or leases or subleases to which a Loan Party or any of its Subsidiaries is a



party as lessee made in the Ordinary Course of Business which do not interfere with the Ordinary Course of Business of a Loan Party or any of its Subsidiaries;

(p) Liens of counterparties attaching solely to cash earnest money deposits made by Loan Parties or their Subsidiaries in connection with any letter of intent or purchase agreement entered into with respect to Capital Expenditures permitted hereunder;

(q) in the case of real property that constitutes a leasehold interest, any Lien to which the fee simple interest (or any superior leasehold interest) is subject; and

(r) other Liens which do not secure Indebtedness for borrowed money in an aggregate amount not to exceed \$500,000 at any time outstanding; **provided**, that such Liens are junior in priority to Agent's security interest in Collateral and (ii) subject to an intercreditor agreement in form and substance satisfactory to Agent.

**"Permitted Protest"** means the right of any Loan Party or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), Taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or payment obligations (other than for borrowed money); provided, that (a) a reserve with respect to such obligation is established on such Loan Party's or its Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by such Loan Party or its Subsidiary, as applicable, in good faith, and (c) Agent is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens.

**"Permitted Tax Distributions"** means, with respect to any Person, for any taxable period after the Closing Date during which time such Person is a pass-through entity for income tax purposes, any dividend or distribution to any holder of such Person's stock or other Equity Interests to permit such holders to pay federal income taxes and all relevant state and local income taxes at a rate equal to the highest marginal applicable tax rate for the applicable tax year, however denominated imposed as a result of taxable income allocated to such holder as a partner of such Person under federal, state, and local income tax laws, taking into account applicable deductions, losses, and credits of such Person (including, without limitation, deductions pursuant to Section 199A of the Code) and allocated to such holder in proportion and to the extent of such holder's stock or other Equity Interests of such Person.

**"Person"** means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, association, corporation, government or any agency or political division thereof, or any other entity.

**"Plan"** means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan) maintained for employees of any Loan Party or any such plan to which any Loan Party (or with respect to any plan subject to Section 412 of the Code or Section 302 or Title IV of ERISA, any ERISA Affiliate) is required to contribute on behalf of any of its employees.

**"Pledged Equity"** means the Equity Interests listed on Sections 1(f) and 1(g) of the Perfection Certificate, together with any other Equity Interests, certificates, options, or rights or instruments of any nature whatsoever in respect of the equity interests of any Person that may be issued or granted to, or held by, any Loan Party while this Agreement is in effect, and including, to the extent

attributable to, or otherwise related to, such pledged Equity Interests, all of such Loan Party's (a) interests in the profits and losses of each Issuer, (b) rights and interests to receive

distributions of each Issuer's assets and properties and (c) rights and interests, if any, to participate in the management of each Issuer related to such pledged Equity Interests.

**"Prepayment Event"** means: (a) any sale (other than sales of Floorable Sold Assets and sales of inventory in the ordinary course of business), transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Loan Party other than assets with an aggregate fair value which do not exceed \$250,000 in any Fiscal Year; (b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any of any Loan Party with an aggregate fair value immediately prior to such event equal to or greater than \$250,000 in any Fiscal Year; (c) the issuance by any Loan Party to any Person (other than to another Loan Party) of any equity interests after the Closing Date, or the receipt by any Loan Party of any capital contribution from any Person (other than from another Loan Party) after the Closing Date in excess of \$100,000 in the aggregate in any Fiscal Year; (d) the incurrence by any Loan Party of any Indebtedness not permitted by this Agreement; and (e) the receipt by any Loan Party of any Extraordinary Receipts in excess of \$250,000 in the aggregate in any Fiscal Year.

**"Pro Rata Share"** means (a) with respect to all matters relating to any Lender with respect to the Revolving Loans, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender by (ii) the aggregate Revolving Commitments of all Lenders (provided, after the Revolving Loan Commitments have expired or been terminated, the applicable outstanding balances of Revolving Loans held by such Lender and all the Lenders, respectively, shall be used in lieu of the Revolving Commitment in both clauses (i) and (ii)), (b) with respect to all matters relating to any Lender with respect to the M&E Term Loan, the percentage obtained by dividing (i) the M&E Term Loan Commitment of that Lender by (ii) the aggregate M&E Term Loan Commitments of all Lenders (provided, after the Closing Date, the applicable outstanding principal balances of the M&E Term Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the M&E Term Loan Commitment in both clauses (i) and (ii)), and (c) with respect to any other matters set forth in this Agreement and the other Loan Documents, the percentage obtained by dividing (i) the Commitments of that Lender by (ii) the aggregate Commitments of all Lenders (provided, (A) after the Revolving Loan Commitments have expired or been terminated, the applicable outstanding balances of Revolving Loans held by such Lender and all the Lenders, respectively, shall be used in lieu of the Revolving Loan Commitment in both clauses (i) and (ii) and (B) after the Closing Date, the applicable outstanding principal balances of the M&E Term Loan held by such Lender and all Lenders, respectively, shall be used in lieu of the M&E Term Loan Commitment in both clauses (i) and (ii)), in each case as any such percentages may be adjusted by assignments pursuant to an Assignment and Assumption.

**"Protective Advances"** has the meaning set forth in Section 2.2(a).

**"Qualified Equity Interests"** mean, with respect to any Person, all Equity Interests of such Person that are not Disqualified Equity Interests.

**"Recipient"** means any Agent, any Lender, any Participant, or any other recipient of any payment to be made by or on account of any Obligation of any Loan Party under this Agreement or any other Loan Document, as applicable.

**"Register"** has the meaning set forth in Section 15.9(c).

**"Released Parties"** has the meaning set forth in Section 10.1.



**"Relevant Governmental Body"** means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

**"Relevant Percentage"** has the meaning set forth in Section 12.10.

**"Replacement Lender"** has the meaning set forth in Section 3(c).

**"Reportable Event"** means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

**"Required Lenders"** means at any time (a) Lenders (other than Defaulting Lenders) then holding in excess of 50% of the sum of their aggregate Revolving Commitment then in effect plus the aggregate unpaid principal balance of the M&E Term Loans then outstanding, or (b) if the Revolving Loan Commitments have been terminated, Lenders (other than Defaulting Lenders) then having in excess of 50% of their aggregate unpaid principal amount of Loans then outstanding ; **provided**, that if there are two or more Lenders, then Required Lenders shall include at least two Lenders (Lenders that are Affiliates or Approved Funds of one another being considered as one Lender for purposes of this proviso).

**"Rescindable Amount"** means, any such payment Agent makes for the account of the Lenders as to which Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies: (1) the Loan Parties have not in fact made such underlying payment; (2) Agent has made a payment in excess of the amount so paid by the Loan Parties (whether or not then owed); or (3) Agent has for any reason otherwise erroneously made such payment.

**"Reserves"** has the meaning set forth in Section 2.1(b).

**"Responsible Officer"** means the chief executive officer, the president, the chief financial officer or the treasurer of Borrower Representative, or any other officer having substantially the same authority and responsibility.

**"Restricted Accounts"** means (a) any deposit account the funds in which shall be used solely to fund payroll and tax obligations of the Loan Parties and (ii) in amounts not to exceed such tax and payroll obligations, (b) any deposit account the funds in which shall be used solely to segregate 401(k) contributions or contributions to an employee stock purchase plan and other health and benefit plan, in each case in accordance with any applicable laws (collectively, "Segregated Benefit Plan Funds"), so long as all funds shall be deposited in such accounts in amounts not to exceed all payment obligations in respect of such Segregated Benefit Plan Funds, (c) any deposit account the funds in which consist solely of funds held by the Loan Parties on behalf of or in trust for the benefit of any third party that is not an Affiliate of the Loan Parties, (d) any deposit account that is a zero balance account with an individual intra-day balance not exceeding \$25,000 at any time and when combined with all other zero balance accounts, with an aggregate intra-day balance not exceeding \$25,000 at any time (and sweeps no less frequently than on each Business Day into a Restricted Account of the type in the preceding clauses (a)–(c) or into a deposit account that is not a Restricted Account and is subject to a deposit account control agreement in favor of Agent) and (e) any local depository accounts for the deposit of funds by the Loan Parties in the Ordinary Course of Business so long as the aggregate balance on deposit at any time in all such accounts described in this clause (e) shall not exceed \$250,000.

**“Restricted Payment”** means (a) Dividends, (b) loans to any Affiliate by any Loan Party or Subsidiary thereof, (c) any payment of management, consulting, investment banking or similar fees payable by any Loan Party or any Subsidiary of a Loan Party to any Affiliate of a Loan Party or such Subsidiary and (d) any redemption, purchase, retirement, defeasance, acquisition, sinking fund or similar payment or any claim of rescission with respect to any Equity Interest of any Loan Party or Subsidiary thereof.

**“Restricted Purchase”** means any payment on account of the purchase, redemption, or other acquisition or retirement of any shares of Equity Interests of a Loan Party or a Subsidiary thereof.

**“Restrictive Agreement”** means an agreement (other than a Loan Document) that conditions or restricts the right of any Loan Party to incur or repay Indebtedness, to grant Liens on any assets, to declare or make Dividends, to modify, extend or renew any agreement evidencing Indebtedness, or to repay any intercompany indebtedness.

**“Retail Locations”** means any of the locations set forth on Schedule 7.4.

**“Revolving Loan Commitment”** means (a) as to any Lender, the aggregate commitment of such Lender to make Revolving Loans as set forth in the Commitment Schedule or in the most recent Assignment and Assumption to which it is a party (as adjusted to reflect any assignments as permitted hereunder) and (b) as to all Lenders, the aggregate commitment of all Lenders to make Revolving Loans, which aggregate commitment shall be in an amount equal to the Maximum Revolving Facility Amount.

**“Revolving Loans”** has the meaning set forth in Section 2.1(a).

**“Sanctioned Country”** means at any time, a country, region or territory which is itself the subject or target of any Sanctions (including, without limitation, the Crimea region of Ukraine, Cuba, Iran, North Korea, Russia, Sudan and Syria).

**“Sanctioned Person”** means at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the Government of Canada, the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

**“Sanctions”** means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the Government of Canada, the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

**“Scheduled Maturity Date”** means the date set forth in Section 6 of Annex I.

**“Scheduled M&E Term Loan Amortization Payments”** has the meaning set forth in Section 2(b)(i) of Annex I.

**“Second Amendment Effective Date”** means January 9, 2023.

**"Securities Act"** means the Securities of Act of 1933, as amended.

**"Seller Carpet One Subordinated Note"** means that certain Subordinated Promissory Note in the original principal amount of \$5,000,000 dated as of the First Amendment Effective by and between CRO Affiliated, LLC and Carpet Remnant Outlet, Inc. and Gary Brown and subject to the Seller Debt Subordination Agreement.

**"Seller Subordinated Note"** means that certain Subordinated Promissory Note in the original principal amount of \$35,000,000 dated as of the date hereof by and between Holdings and Kellogg 2022 Family Irrevocable Nevada Trust and subject to the Seller Debt Subordination Agreement as amended, restated or otherwise modified from time to time in accordance with the terms of the Seller Debt Subordination Agreement and hereof.

**"Seller Debt Carpet One Subordination Agreement"** certain Subordination Agreement governing the Seller Carpet One Subordinated Note among Carpet Remnant Outlet, Inc., Gary Brown and Agent dated as of the First Amendment Effective Date.

**"Seller Debt Subordination Agreement"** means that certain Subordination Agreement governing the Seller Subordinated Note among Kellogg 2022 Family Irrevocable Nevada Trust and Agent dated as of the Closing Date.

**"Settlement"** has the meaning set forth in Section 2.4(c).

**"Settlement Date"** has the meaning set forth in Section 2.4(c).

**"SOFR"** means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

**"SOFR Loan"** means any Loan that bears interest at a rate determined by reference to Adjusted Term SOFR (other than pursuant to clause (c) of the definition of "Base Rate").

**"Sponsor"** means Live Ventures, Inc., a Nevada corporation.

**"Sponsor Subordinated Note"** means that certain \$5,000,000 note dated as of the Closing Date among Isaac Capital Group LLC and subject to the Sponsor Debt Subordination Agreement.

**"Sponsor Debt Subordination Agreement"** means that certain Subordination Agreement governing the Sponsor Subordinated Note among Isaac Capital Group LLC and Agent dated as of the Closing Date.

**"Stated Rate"** has the meaning set forth in Section 3.5.

**"Subordinated Debt"** means the Indebtedness owing pursuant to the Seller Subordinated Note, Seller Carpet One Subordinated Note and the Sponsor Subordinated Note and any other

Indebtedness incurred by a Loan Party that is expressly subordinate and junior in right of payment to the Payment in Full of all Obligations on terms satisfactory to Agent.

**"Subordinated Debt Documents"** means any notes, loan agreements or other documents governing Subordinated Debt.

**"Subordinated Debt Subordination Agreement"** means any subordination agreement entered into by a holder of Subordinated Debt in favor of Agent and Lenders, which shall be in form and substance acceptable to Agent, including the Seller Debt Subordination Agreement and the Sponsor Debt Subordination Agreement.

**"Subsidiary"** means any corporation or other entity of which a Person owns, directly or indirectly, through one or more intermediaries, more than 50% of the capital stock or other Equity Interest at the time of determination. Unless the context indicates otherwise, references to a Subsidiary shall be deemed to refer to a Subsidiary of a Borrower.

**"Swingline Lender"** means Eclipse Business Capital SPV, LLC, in its capacity as lender of Swingline Loans hereunder.

**"Swingline Loans"** has the meaning set forth in Section 2.4(a).

**"Taxes"** means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**"Term SOFR"** means, for any calendar month, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the **"Periodic Term SOFR Determination Day"**) that is two

(2) U.S. Government Securities Business Days prior to the commencement of such calendar month, as such rate is published by the Term SOFR Administrator; **provided**, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for a tenor of one month as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for a tenor of one month was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

**"Term SOFR Adjustment"** means a percentage equal to 0.11448% (11.448 basis points).

**"Term SOFR Administrator"** means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Agent in its reasonable discretion).

**"Term SOFR Reference Rate"** means the forward-looking term rate based on SOFR.

**"Termination Date"** means the date on which all of the Obligations have been Paid in Full.

**"UCC"** means, at any given time, the Uniform Commercial Code as adopted and in effect at such time in the State of New York or other applicable jurisdiction.



**"UK Financial Institution"** means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

**"Unadjusted Benchmark Replacement"** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**"U.S. Government Securities Business Day"** means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

**"Write-Down and Conversion Powers"** means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

## **1.2. Accounting Terms and Determinations.**

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including determinations made pursuant to the exhibits hereto) shall be made, and all financial statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with GAAP consistently applied. If at any time any change in GAAP would affect the computation of any financial ratio or financial requirement set forth in any Loan Document, and either Borrower Representative or Agent shall so request, Required Lenders and Borrower Representative shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; **provided** that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Borrower Representative shall provide to Agent and Lenders financial statements and other documents required under this Agreement and the other Loan Documents which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (Codification of Accounting Standards 825-10) to value any Indebtedness or other liabilities of any Loan Party at "**fair value**", as defined therein.

Notwithstanding anything to the contrary contained in the paragraph above or the definitions of Capital Expenditures or Capitalized Leases, only those leases (assuming for purposes

hereof that such leases were in existence on January 1, 2015) that would have constituted Capitalized Leases or financing leases in conformity with GAAP on January 1, 2015, shall be considered

Capitalized Leases or financing leases hereunder, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith (other than the financial statements delivered pursuant to this Agreement).

**1.3. Rates.** Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 3.6(d), will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark, prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to a Borrower. Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to any Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

#### **1.4. Other Definitional Provisions and References.**

References in this Agreement to "*Articles*", "*Sections*", "*Annexes*", "*Exhibits*" or "*Schedules*" shall be to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. "*Include*", "*includes*" and "*including*" shall be deemed to be followed by "*without limitation*". "*Or*" shall be construed to mean "*and/or*". Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. References "*from*" or "*through*" any date mean, unless otherwise specified, "*from and including*" or "*through and including*", respectively. No provision of any Loan Documents shall be construed against any party by reason of such party having, or being deemed to have, drafted the provision. Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among the parties hereto shall be made in lawful money of the United States and in immediately available funds. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. References to any statute or act shall include all related current regulations and all amendments and any successor statutes, acts and regulations. References to any agreement, instrument or document (a) shall include all schedules, exhibits, annexes and other attachments thereto and (b) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or in any other Loan Document). The words "*asset*" and "*property*" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Unless otherwise specified herein Dollar (\$)

baskets set forth in the representations and warranty, covenants and event of default provisions of this Agreement (and other similar baskets) are calculated as of each date of

measurement by the Dollar Equivalent Amount thereof as of such date of measurement. Reference to a Loan Party's "knowledge" or similar concept means actual knowledge of a senior officer, or knowledge that a senior officer would have obtained if he or she had engaged in good faith and diligent performance of his or her duties, including reasonably specific inquiries of employees or agents and a good faith attempt to ascertain the matter. In determining whether any individual event would or could reasonably be expected to result in a Material Adverse Effect, notwithstanding that such event in and of itself does not have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such events and all other then-existing events would or could reasonably be expected to result in a Material Adverse Effect.

## 2. LOANS.

### 2.1. Amount of Loans

(a) **Revolving Loans.** Subject to the terms and conditions of this Agreement, each Lender with a Revolving Loan Commitment will severally (and not jointly), from time to time prior to the Maturity Date, at Borrower Representative's request, (i) make revolving loans to Borrowers ("**Revolving Loans**") and (ii) make letters of credit ("**Letters of Credit**") available to Borrowers (not to exceed the Letter of Credit Limit); *provided*, that after giving effect to each such Revolving Loan and Swingline Loan, (A) the outstanding balance of all Revolving Loans and Swingline Loans plus fees and expenses which are due and payable by Borrower under this Agreement but which have not been paid or charged to the Loan Account will not exceed the lesser of (x) the Maximum Revolving Facility Amount and (y) the Borrowing Base, (B) the sum of each Lender's outstanding balance of Revolving Loans will not exceed such Lender's Revolving Loan Commitment and (C) none of the other Loan Limits for Revolving Loans will be exceeded. All Revolving Loans shall be made in and repayable in Dollars.

(b) **Reserves.** Agent may, with or without notice to Borrower Representative, from time to time establish and revise reserves against the Borrowing Base and the Maximum Revolving Facility Amount in such amounts and of such types as Agent deems appropriate in its Permitted Discretion ("**Reserves**") to reflect (i) events, conditions, contingencies or risks which affect or may affect (A) the Collateral or its value, or the enforceability, perfection or priority of the security interests and other rights of Agent in the Collateral or (B) the assets or business prospects of any Borrower or any Loan Party (including the Dilution Reserve), (ii) Agent's good faith concern that any Collateral report or financial information furnished by or on behalf of any Borrower or any Loan Party to Agent is or may have been incomplete, inaccurate or misleading in any material respect, (iii) any fact or circumstance which Agent determines in good faith constitutes, or could reasonably be expected to constitute, a Default or Event of Default, (iv) past due Taxes, or (v) any other events or circumstances which Agent determines in good faith make the establishment or revision of a Reserve prudent. In no event shall the establishment of a Reserve in respect of a particular actual or contingent liability obligate Agent to make advances to pay such liability or otherwise obligate Agent with respect thereto.

(c) **M&E Term Loan.** Subject to the terms and conditions contained in this Agreement, each Lender with a M&E Term Loan Commitment will severally (and not jointly), on the date of this Agreement, make a term loan (the "**M&E Term Loan**") to Borrowers in an amount equal to such Lender's M&E Term Loan Commitment. The M&E Term Loan shall be advanced in a single borrowing on the Closing Date, and any principal amounts repaid in respect

of the M&E Term Loan may not be reborrowed. The M&E Term Loan shall be made in and repayable in Dollars.

(d) **Closing Date Advances.** The Loans advanced on the Closing Date shall be made to Initial Borrower for purposes of consummating the Closing Date Acquisition, this Agreement and for paying fees and expenses in connection with the foregoing. For purposes of the calculating the Borrowing Base in respect of the Revolving Loans advanced on the Closing Date to the Initial Borrower, the Borrowing Base shall be deemed to be the Borrowing Base of the Borrowers as if the Closing Date Acquisition was consummated immediately prior to the making of the initial Revolving Loans advanced on the Closing Date.

(e) **Other Provisions Applicable to Letters of Credit.** Agent shall, on the terms and conditions set forth in this Agreement, make Letters of Credit available to Borrower by causing other financial institutions to issue them supported by Agent's guaranty or indemnification; *provided*, that after giving effect to each Letter of Credit, the Letter of Credit Balance will not exceed the Letter of Credit Limit. Borrower agrees to execute all documentation required by Agent or the issuer of any Letter of Credit in connection with any such Letter of Credit. Borrower unconditionally and irrevocably agrees to reimburse Agent or the applicable issuer for each payment or disbursement made by Agent or such issuer in respect of each draw under any Letter of Credit, in each case on the date that such payment or disbursement is made. Borrower's reimbursement obligations hereunder shall be irrevocable and unconditional under all circumstances, including (a) any lack of validity or enforceability of any Letter of Credit, this Agreement or any other Loan Document, (b) the existence of any claim, set-off, defense or other right which any Loan Party may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), Agent, the applicable issuer under any Letter or Credit, or any other Person, whether in connection with any Letter of Credit, this Agreement, any other Loan Document, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between any Loan Party and the beneficiary named in any Letter of Credit), (c) any lack of validity, sufficiency or genuineness of any document which Lender or the applicable issuer has determined complies on its face with the terms of the applicable Letter of Credit, even if such document should later prove to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein shall have been untrue or inaccurate in any respect or (d) the surrender or impairment of any security for the performance or observance of any of the terms hereof. All amounts paid by Lender in respect of a Letter of Credit will, at the election of Lender, be treated for all purposes as a Revolving Loan, and bear interest, and be payable, in the same manner as a Revolving Loan. No Letter of Credit shall have an expiry date later than the Maturity Date.

## **2.2. Protective Advances; Overadvances.**

(a) Notwithstanding any contrary provision of this Agreement or any other Loan Document, at any time (i) after the occurrence and during the continuance of a Default or Event of Default or (ii) that any of the other applicable conditions precedent set forth in Section 4 or otherwise are not satisfied, Agent is authorized by each Borrower and each Lender, from time to time, in Agent's Permitted Discretion, to make such Revolving Loans to, or for the benefit of, any Borrower, as Agent in its Permitted Discretion deems necessary or desirable (1) to maintain, preserve or protect the Collateral, or any portion thereof, or (2) to enhance the likelihood of repayment of the Obligations (the Revolving Loans described in this Section 2.2 shall be referred to as "*Protective Advances*"). Notwithstanding any contrary provision of this Agreement or any other Loan Document, Agent may disburse the proceeds of any Protective Advance to any

Borrower or to such other Person(s) as Agent determines in its Permitted Discretion. All Protective Advances shall be payable immediately upon demand. Notwithstanding the foregoing,  
(i) the aggregate amount of all Protective Advances outstanding at any time shall not exceed an

amount equal to ten percent (10%) of the Maximum Revolving Facility Amount (without giving effect to any Reserves or Availability Block established against the Maximum Revolving Facility Amount) and (ii) after giving effect to any such Protective Advances, the outstanding balance of all Revolving Loans will not exceed the Maximum Revolving Facility Amount.

(b) Notwithstanding any contrary provision of this Agreement, at the request of Borrower Representative, Agent may in its sole discretion (but with absolutely no obligation), make Revolving Loans to any Borrower, on behalf of the Lenders with a Revolving Loan Commitment, in amounts that exceed Excess Availability (any such excess Revolving Loans are herein referred to herein, collectively, as "**Overadvances**"); **provided**, that, no Overadvance shall result in a Default due to any Borrower's failure to comply with Section 2.1(a) for so long as such Overadvance remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such Overadvance. Overadvances may be made even if the conditions precedent set forth in Section 4.2 have not been satisfied. The authority of Agent to make Overadvances is limited to an aggregate amount not to exceed an amount equal to ten percent (10%) of the Maximum Revolving Facility Amount (without giving effect to any Reserves or Availability Block established against the Maximum Revolving Facility Amount) at any time. No Overadvance may remain outstanding for more than thirty (30) days and no Overadvance shall cause any Lender's outstanding balance of Revolving Loans to exceed its Revolving Loan Commitment. Required Lenders may, at any time, revoke Agent's authorization to make Overadvances, **provided** that any such revocation must be in writing and shall become effective prospectively upon Agent's receipt thereof.

(c) Upon the making of any Protective Advance or Overadvance (whether before or after the occurrence of a Default or Event of Default), each Lender with a Revolving Loan Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from Agent, without recourse or warranty, an undivided interest and participation in such Protective Advance or Overadvance, as applicable, in proportion to its Pro Rata Share of the Revolving Loan Commitment. Agent may, at any time, require the applicable Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance or Overadvance, as applicable, purchased hereunder, Agent shall promptly distribute to such Lender, such Lender's Pro Rata Share of all payments of principal and interest and all proceeds of Collateral received by Agent in respect of such Loan. Each Lender acknowledges and agrees that (i) Agent may elect to fund a Protective Advance or Overadvance through one or more of its Affiliates (including, without limitation, Eclipse Business Capital SPV, LLC) on behalf of Agent for administrative convenience and (ii) any such funding shall constitute a Protective Advance or Overadvance, as applicable, as if made by Agent subject to the terms and conditions of this Agreement.

### **2.3. Notice of Borrowing; Manner of Revolving Loan Borrowing.**

(a) Borrower Representative shall request each Revolving Loan by submitting such request by ABLSoft (or, if requested by Agent, by delivering, in writing or by an Approved Electronic Communication, a Notice of Borrowing substantially in the form of Exhibit A hereto) (each such request a "**Notice of Borrowing**"). Subject to the terms and conditions of this Agreement, Agent shall, except as provided in Section 2.2, deliver the amount of the Revolving Loan requested in the Notice of Borrowing for credit to any account of Borrower as Borrower Representative may specify at a bank acceptable to Agent (**provided**, that such account must be

one identified on Section 3 of the Perfection Certificate and approved by Agent as an account to be used for funding of Loan proceeds) (any such account, a "**Funding Account**") by wire transfer of immediately available funds (i) on the same day if the Notice of Borrowing is

received by Agent on or before 10:00 a.m. Central Time on a Business Day or (ii) on the immediately following Business Day if the Notice of Borrowing is received by Agent after 10:00 a.m. Central Time on a Business Day or on a day that is not a Business Day. Agent shall charge to the Revolving Loan Agent's usual and customary fees for the wire transfer of each Loan.

(b) Promptly following receipt of a Notice of Borrowing in accordance with this Section 2.3, Agent shall advise each Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested borrowing. Each Lender shall make each Revolving Loan to be made by such Lender hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 p.m., Central Time, to the account of Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Pro Rata Share. Unless Agent shall have received notice from a Lender prior to the proposed date of any borrowing that such Lender will not make available to Agent such Lender's share of such borrowing, Agent may assume that such Lender has made (or will make) such share available on such date in accordance with this Section and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to Agent, then the applicable Lender and Borrowers severally agree to pay to Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrowers but excluding the date of payment to Agent, at the interest rate applicable to such Revolving Loans. If such Lender pays such amount to Agent, then such amount shall constitute such Lender's Revolving Loan included in such borrowing.

#### **2.4. Swingline Loans.**

(a) Agent, Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after Borrower Representative requests a Revolving Loan, the Swingline Lender may elect to have the terms of this Section 2.4 apply to such borrowing request by advancing, on behalf of the Lenders with a Revolving Loan Commitment and in the amount requested, same day funds to Borrowers (each such Loan made solely by the Swingline Lender pursuant to this Section 2.4 is referred to in this Agreement as a "**Swingline Loan**"), with settlement among them as to the Swingline Loans to take place on a periodic basis as set forth in Section 2.4(c). Each Borrower hereby authorizes the Swingline Lender to, and Swingline Lender shall, subject to the terms and conditions set forth herein (but without any further written notice required), deliver the amount of the Swingline Loan requested to the applicable Funding Account (i) on the same day if the Notice of Borrowing is received by Agent on or before 10:00 a.m. Central Time on a Business Day or (ii) on the immediately following Business Day if the Notice of Borrowing is received by Agent after 10:00 a.m. Central Time on a Business Day or on a day that is not a Business Day. The aggregate amount of Swingline Loans outstanding at any time shall not exceed \$1,500,000. Swingline Lender shall not make any Swingline Loan if the requested Swingline Loan exceeds Excess Availability (before giving effect to such Swingline Loan).

(b) Upon the making of a Swingline Loan (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such Swingline Loan), each Lender with a Revolving Loan Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Swingline Lender, without recourse or warranty, an undivided interest and participation

in such Swingline Loan in proportion to its Pro Rata Share of the Revolving Loan Commitment. The Swingline Lender may, at any time, require the applicable Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its

participation in any Swingline Loan purchased hereunder, Agent shall promptly distribute to such Lender, such Lender's Pro Rata Share of all payments of principal and interest and all proceeds of Collateral received by Agent in respect of such Loan.

(c) Agent, on behalf of Swingline Lender, shall request settlement (a "**Settlement**") with respect to Swingline Loans with the Lenders holding a Revolving Loan Commitment on at least a weekly basis or on any date that Agent elects, by notifying the applicable Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 12:00 p.m. Central Time on the date of such requested Settlement (the "**Settlement Date**"). Each applicable Lender (other than the Swingline Lender) shall transfer the amount of such Lender's Pro Rata Share of the outstanding principal amount of the Swingline Loan with respect to which Settlement is requested to Agent, to such account of Agent as Agent may designate, not later than 2:00 p.m., Central Time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.2 have then been satisfied. Such amounts transferred to Agent shall be applied against the amounts of the Swingline Lender's Swingline Loans and, together with such Swingline Lender's Pro Rata Share of such Swingline Loan, shall constitute Revolving Loans of such Lenders, respectively. If any such amount is not transferred to Agent by any applicable Lender on such Settlement Date, the Swingline Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon.

## **2.5. Repayments.**

(a) **Revolving Loans/Letters of Credit.** If at any time for any reason whatsoever (including as a result of currency fluctuations) (i) the outstanding principal balance of all Revolving Loans and the Letter of Credit Balance exceeds the lesser of (x) the Maximum Revolving Facility Amount and (y) the Borrowing Base or (ii) any of the Loan Limits for Revolving Loans or Letters of Credit are exceeded, then, in each case, Borrowers will immediately pay to Agent such amounts (or, with respect to the Letter of Credit Balance, provide cash collateral to Agent in the manner set forth in clause (b) below) as shall cause Borrowers to eliminate such excess.

(b) **M&E Term Loan.** Principal of the M&E Term Loan shall be repaid as set forth in Section 2 of Annex I.

(c) **Maturity Date Payments.** All remaining outstanding monetary Obligations (including, all accrued and unpaid fees described in Section 3.2) shall be Payable in Full on the Maturity Date. Without limiting the generality of the foregoing, if, on the Maturity Date, there are any outstanding Letters of Credit, then on such date Borrowers shall provide to Agent cash collateral in an amount equal to 105% of the Letter of Credit Balance to secure all of the Obligations (including estimated attorneys' fees and other expenses) relating to such Letters of Credit or such greater percentage or amount as Agent reasonably deems appropriate, pursuant to a cash collateral agreement in form and substance satisfactory to Agent.

## **2.6. Prepayments / Voluntary Termination / Application of Prepayments.**

(a) **Certain Mandatory Prepayment Events.** Borrowers shall be required to prepay (i) the unpaid principal balance of the Term Loans, and after the Term Loans has been paid in full, Borrowers shall be required to prepay the outstanding principal balance of the Revolving Loans on the

date of each and every Prepayment Event of the type described in clause (a), (b), (d) and (e) of the definition thereof (and on any date thereafter on which proceeds pertaining thereto are received by any

Loan Party) and (ii) the outstanding principal balance of the Revolving Loans, and after the Revolving Loans have been paid in full, Borrowers shall be required to prepay the outstanding principal balance of the Revolving Loans on the date of each and every Prepayment Event of the type described in clause (c) of the definition thereof (and on any date thereafter on which proceeds pertaining thereto are received by any Loan Party), in each case without any demand or notice from Agent, any Lender or any other Person, all of which is hereby expressly waived by each Borrower, in the amount of 100% of the proceeds (net of documented reasonable out-of-pocket costs and expenses incurred in connection with the collection of such proceeds, in each case payable to Persons that are not Affiliates of any Loan Party) received by any Loan Party with respect to such Prepayment Event; *provided*, that with respect to a Prepayment Event of the type described in clause (a) or (b) of the definition of Prepayment Event, so long as no Default or Event of Default exists, to the extent that the proceeds received by such Person as a result of such Prepayment Event are actually applied within 180 days of such receipt or to (x) replace the property or assets subject to such Prepayment Event with property and/or assets performing the same or similar functions or (y) repair, replace or reconstruct property and or assets damaged by such Prepayment Event or the applicable Loan Party enters into a binding commitment to do so within 180 days of such receipt and such proceeds are applied within 180 days following such initial 180 day period, such proceeds shall not be required to prepay the Loans pursuant to this Section 2.6(a) (pending such reinvestment such proceeds shall be delivered to Agent to hold in an escrow account; *provided*, that to the extent such proceeds are not reinvested within the periods described in the foregoing proviso, or any Default or Event of Default occurs during such period, Agent shall apply such proceeds as a prepayment of the Term Loan as provided in this Section 2.6(a)). Each such prepayment shall be subject to the Early Termination Fee in the amount specified in Section 3.2(e).

(b) **Reserved.**

(c) **Voluntary Prepayment of M&E Term Loan.** Borrower Representative may from time to time, on at least one Business Day's written notice or telephonic notice (followed immediately by written confirmation thereof) to Agent not later than 10:00 a.m. Central Time on such day, prepay the M&E Term Loan in whole or in part. Any such partial prepayment of the M&E Term Loan shall be in an amount equal to \$100,000 or a higher integral multiple of \$50,000 and shall be applied as specified in Section 2(e). Each such prepayment of the M&E Term Loan shall be subject to the Early Termination Fee in the amount specified in Section 3.2(e).

(d) **Voluntary Termination of Loan Facilities.** Borrower Representative may, on at least fifteen (15) Business Days prior written notice received by Agent, permanently terminate the Loan facilities by repaying all of the outstanding Obligations, including all principal, interest and fees with respect to the Revolving Loans, and an Early Termination Fee in the amount specified in Section 3.2(e). From and after such date of termination, neither Agent nor any Lender shall have any obligation whatsoever to extend any additional Loans, and all of its lending commitments hereunder shall be terminated.

(e) **Application of Prepayments.** All voluntary partial prepayments of the M&E Term Loans shall be applied in the inverse order to the installments thereof as set forth in Section 2(b)(ii) of Annex I. All mandatory prepayments of the M&E Term Loans shall be applied in inverse order to the installments of the M&E Term Loan as set forth in Section 2(b)(ii) of Annex I and, after payment in full of the M&E Term Loan, to the Revolving Loans.



## 2.7. Obligations Unconditional.

(a) The payment and performance of all Obligations shall constitute the absolute and unconditional obligations of each Loan Party, and shall be independent of any defense or right of set-off, recoupment or counterclaim that any Loan Party or any other Person might otherwise have against Agent, any Lender or any other Person. All payments required by this Agreement or the other Loan Documents shall be made in Dollars (unless payment in a different currency is expressly provided otherwise in the applicable Loan Document) and paid free of any deductions or withholdings for any taxes or other amounts and without abatement, diminution or set-off. If any Loan Party is required by applicable law to make such a deduction or withholding from a payment under this Agreement or under any other Loan Document, such Loan Party shall pay to Agent such additional amount as shall be necessary to ensure that, after the making of such deduction or withholding, Agent receives (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made. Each Loan Party shall (a) pay the full amount of any deduction or withholding that it is required to make by law, to the relevant authority within the payment period set by applicable law and (b) promptly after any such payment, deliver to Agent an original (or certified copy) official receipt issued by the relevant authority in respect of the amount withheld or deducted or, if the relevant authority does not issue such official receipts, such other evidence of payment of the amount withheld or deducted as is reasonably acceptable to Agent.

(b) If, at any time and from time to time after the Closing Date (or at any time before or after the Closing Date with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith), (a) any change in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (b) any new law, regulation, treaty or directive enacted or application thereof or (c) compliance by Agent with any request or directive (whether or not having the force of law) from any Governmental Authority, central bank or comparable agency (i) subjects Agent or any Lender to any tax, levy, impost, deduction, assessment, charge or withholding of any kind whatsoever with respect to any Loan Document, or changes the basis of taxation of payments to Agent or any Lender of any amount payable thereunder (except for net income taxes, or franchise taxes imposed in lieu of net income taxes, imposed generally by federal, state, local or other taxing authorities with respect to interest or fees payable hereunder or under any other Loan Document or changes in the rate of tax on the overall net income of Agent, any Lender or their respective members) or (ii) imposes, modifies or deems applicable any reserve (including any reserve imposed by the FRB, but excluding any reserve included in the determination of the Adjusted Term SOFR), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Agent or any Lender or imposes on Agent or any Lender any other condition affecting its SOFR Loans or its obligation to make SOFR Loans, the result of which is to increase the cost to (or to impose a cost on) Agent or any Lender of making or maintaining any SOFR Loan or (iii) imposes on Agent or any Lender any other condition or increased cost in connection with the transactions contemplated thereby or participations therein, and the result of any of the foregoing is to increase the cost to Agent or any Lender of making or continuing any Loan or to reduce any amount receivable hereunder or under any other Loan Documents, then, in each such case, Borrowers shall promptly pay to Agent or such Lender, when notified to do so by Agent or such Lender, any additional amounts necessary to compensate Agent or such Lender, on an after-tax

basis, for such additional cost or reduced amount as determined by Agent or such Lender. Each such notice of additional amounts payable pursuant to this Section 2.7(b) submitted by Agent or

any Lender, as applicable, to Borrower Representative shall, absent manifest error, be final, conclusive and binding for all purposes.

(c) This Section 2.7 shall remain operative even after the Termination Date and shall survive the Payment in Full of all of the Loans.

**2.8. Reversal of Payments.** To the extent that any payment or payments made to or received by Agent or any Lender pursuant to this Agreement or any other Loan Document are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any trustee, receiver or other Person under any state, federal or other bankruptcy or other such applicable law, then, to the extent thereof, such amounts (and all Liens, rights and remedies relating thereto) shall be revived as Obligations (secured by all such Liens) and continue in full force and effect under this Agreement and under the other Loan Documents as if such payment or payments had not been received by Agent or such Lender. This Section 2.8 shall remain operative even after the Termination Date and shall survive the Payment in Full of all of the Loans.

**2.9. Notes.** The Loans and Commitments shall, at the request of any Lender, be evidenced by one or more promissory notes in form and substance reasonably satisfactory to such Lender. However, if such Loans are not so evidenced, such Loans may be evidenced solely by entries upon the books and records maintained by Agent.

**2.10. Increases to Maximum Revolving Facility Amount.**

(a) The Borrower Representative may, at any time, from the Closing Date through the date that is six (6) months prior to the Maturity Date, deliver a written request to Agent to increase the Maximum Revolving Facility Amount. Any such written request shall specify the amount of the requested increase (in minimum increments of \$1,000,000); *provided*, that (i) in no event shall the aggregate amount of any such requested increases exceed \$5,000,000 in the aggregate, (ii) such request shall be irrevocable, and (iii) no Default or Event of Default shall exist at the time of such request or immediately prior to or immediately after giving effect to such increase.

(b) Upon the receipt by Agent of any such written request, each Lender shall have the option (but not the obligation) to increase the amount of its Commitment by an amount determined by Agent (not to exceed the amount requested by the Borrower Representative).

(c) In connection with implementing any such increase, Borrowers shall pay to Agent, for the benefit of the participating Lenders, those fees agreed to by Borrowers and Agent for the increase of the Maximum Revolving Facility Amount.

(d) In the event that Lender(s) agree(s) to increase the Maximum Revolving Facility Amount, the Maximum Revolving Facility Amount shall be increased by the amount of the requested increase on the date that each of the following conditions have been satisfied:

(i) Agent shall have received, an agreement acceptable to Agent and the Borrower Representative duly executed by such Agent and the Borrower Representative;

(ii) the conditions precedent to the making of any Loan set forth in Section 4.2 shall be satisfied as of the date of the increase in the Maximum Revolving Facility Amount, both before and after giving effect to such increase;



(iii) Agent shall have received, in form and substance satisfactory to Agent, a certificate of an officer of each Loan Party certifying, among other things, that any such increase in the Maximum Revolving Facility Amount, the performance of the terms and conditions of this Agreement and the other Loan Documents and the incurrence of Obligations by the Loan Parties are in compliance with Section 7.1;

(iv) Agent shall have received such other agreements, documents and instruments as Agent may request, in form and substance satisfactory to Agent;

(v) such increase in the Maximum Revolving Facility Amount on the date of the effectiveness thereof shall not violate any applicable law, regulation or order or decree of any court or other governmental authority and shall not be enjoined, temporarily, preliminarily or permanently; and

(vi) Agent shall have received all fees (including any additional commitment fees, if any, including reasonable internal and external attorneys' fees) in each case due and payable to such Person on or before the effectiveness of such increase.

(e) As of the effective date of any increase in the Maximum Revolving Facility Amount pursuant to this Section 2.10, each reference to the terms Maximum Revolving Facility Amount and Commitment herein and in any of the other Loan Documents shall be deemed to have been amended to mean the amount of the Maximum Revolving Facility Amount and Commitment specified in the most recent written notice from Agent to the Borrower Representative of the increase in the Maximum Revolving Facility Amount and Commitment.

**2.11. Defaulting Lenders.** Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Unused Line Fees pursuant to Section 3.2(c) shall cease to accrue on the unfunded portion of the Revolving Loan Commitment of such Defaulting Lender;

(b) Any amount payable to a Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be determined by Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder, (ii) second, to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Agent, (iii) third, if so determined by Agent and Borrowers, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (iv) fourth, pro rata, to the payment of any amounts owing to Borrowers or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by Borrowers or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, and (v) fifth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided*, that if such payment is made at a time when the conditions set forth in Section 4.2 are satisfied, such payment shall be applied solely to prepay the Loans of all Revolving Lenders that are not

Defaulting Lenders pro rata prior to being applied to the prepayment of any Loans, or reimbursement obligations owed to, any Defaulting Lender.

(c) No Defaulting Lender shall have any right to approve or disapprove any amendment, waiver, consent or any other action the Lenders or the Required Lenders have taken or may take hereunder, *provided* that any waiver, amendment or modification requiring the consent of all Lenders or each directly affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender.

(d) If any Lender becomes a Defaulting Lender, then the Borrowers may upon written notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse, all its interests, rights and obligations under this Agreement and other Loan Documents to an assignee acceptable to Agent that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment). A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

## **2.12. Appointment of Borrower Representative.**

(a) Each Borrower hereby irrevocably appoints and constitutes Borrower Representative as its agent and attorney-in-fact to request and receive Loans in the name or on behalf of such Borrower and any other Borrowers, deliver Notices of Borrowing, and Borrowing Base Calculations, give instructions with respect to the disbursement of the proceeds of the Loans, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants) in the name or on behalf of any Borrower or Borrowers pursuant to this Agreement and the other Loan Documents. Agent may disburse the Loans to such bank account of Borrower Representative or a Borrower or otherwise make such Loans to a Borrower, in each case as Borrower Representative may designate or direct, without notice to any other Borrower. Notwithstanding anything to the contrary contained herein, Agent may at any time and from time to time require that Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(a) Borrower Representative hereby accepts the appointment by Borrowers to act as the agent and attorney-in-fact of Borrowers pursuant to this Section 2.11. Borrower Representative shall ensure that the disbursement of any Loans that are at any time requested by or to be remitted to or for the account of a Borrower requested on behalf of a Borrower hereunder, shall be remitted or issued to or for the account of such Borrower.

(b) Each Borrower hereby irrevocably appoints and constitutes Borrower Representative as its agent to receive statements on account and all other notices from Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents.

(c) Any notice, election, representation, warranty, agreement or undertaking made or delivered by or on behalf of any Borrower by Borrower Representative shall be deemed for all purposes to have been made or delivered by such Borrower, as the case may be, and shall be binding upon and enforceable against such Borrower to the same extent as if made or delivered directly by such Borrower.

(d) No resignation by or termination of the appointment of Borrower Representative as agent and attorney-in-fact as aforesaid shall be effective, except after ten (10) Business Days' prior written notice to Agent. If the Borrower Representative resigns under this Agreement, Borrowers shall be entitled to appoint a successor Borrower Representative (which

shall be a Borrower and shall be reasonably acceptable to Agent as such successor). Upon the acceptance of its appointment as successor Borrower Representative hereunder, such successor Borrower Representative shall succeed to all the rights, powers and duties of the resigning Borrower Representative and the term "Borrower Representative" shall mean such successor Borrower Representative for all purposes of this Agreement and the other Loan Documents, and the resigning or terminated Borrower Representative's appointment, powers and duties as Borrower Representative shall be thereupon terminated.

### **2.13. Joint and Several Liability**

(a) Joint and Several. Each Borrower hereby agrees that such Borrower is jointly and severally liable for the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Obligations owed or hereafter owing to Agent and Lenders by each other Borrower. Each Borrower agrees that its obligation hereunder shall not be discharged until Payment in Full, of the Obligations has occurred, and that its obligations under this Section 2.12 shall be absolute and unconditional, irrespective of, and unaffected by,

(i) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement, any other Loan Document or any other agreement, document or instrument to which any Loan Parties is or may become a party;

(ii) the absence of any action to enforce this Agreement (including this Section 2.12) or any other Loan Document or the waiver or consent by Agent or any Lender with respect to any of the provisions thereof;

(iii) the existence, value or condition of, or failure to perfect Agent's Lien against, any security for the Obligations or any action, or the absence of any action, by Agent in respect thereof (including the release of any such security);

(iv) the insolvency of any Loan Party or Other Obligor; or

(v) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor other than payment in full of the Obligations (other than contingent indemnification obligations for which no claim has then been made).

(b) Waivers by Borrowers. Each Borrower expressly waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel Agent to marshal assets or to proceed in respect of the Obligations against any other Loan Party or Other Obligor, any other party or against any security for the payment and performance of the Obligations before proceeding against, or as a condition to proceeding against, such Borrower. It is agreed among each Borrower, Agent and Lenders that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents and that, but for the provisions of this Section 2.12 and such waivers, Agent and Lenders would decline to enter into this Agreement.

(c) Benefit of Joint and Several Obligations. Each Borrower agrees that the provisions of this Section 2.12 are for the benefit of Agent and Lenders and their successors, transferees, endorsees and permitted assigns, and nothing herein contained shall impair, as

between any other Borrower, Agent and any Lender, the obligations of such other Borrower under the Loan Documents.

(d) Subordination of Subrogation, Etc. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, each Loan Party hereby expressly and irrevocably subordinates to payment of the Obligations any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor with respect to any other Loan Party or any Other Obligor until the Obligations are Paid in Full. Each Borrower acknowledges and agrees that this subordination is intended to benefit Agent and Lenders and shall not limit or otherwise affect such Borrower's liability hereunder or the enforceability of this Section 2.12, and that Agent and Lenders and their successors and permitted assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 2.12(d).

(e) Election of Remedies. If Agent may, under applicable law, proceed to realize its benefits under any of the Loan Documents giving Agent a Lien upon any Collateral, whether owned by any Borrower or by any other Person, either by judicial foreclosure or by non-judicial sale or enforcement, Agent may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Section 2.12. If, in the exercise of any of its rights and remedies, Agent shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Borrower or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Borrower hereby consents to such action by Agent and waives any claim based upon such action, even if such action by Agent shall result in a full or partial loss of any rights of subrogation that each Borrower might otherwise have had but for such action by Agent.

(f) Contribution with Respect to Guaranty Obligations.

(i) To the extent that any Borrower shall make a payment under this Section 2.12 of all or any of the Obligations (other than Loans made to that Borrower for which it is primarily liable) (a "**Guarantor Payment**") that, taking into account all other Guarantor Payments then previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payment in the same proportion that such Borrower's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Borrowers as determined immediately prior to the making of such Guarantor Payment, then, following Payment in Full, such Borrower shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Borrower for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(ii) As of any date of determination, the "**Allocable Amount**" of any Borrower shall be equal to the maximum amount of the claim that could then be recovered from such Borrower under this Section 2.12 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(iii) This Section 2.12(f) is intended only to define the relative rights of Borrowers and nothing set forth in this Section 2.12(f) is intended to or shall impair the

obligations of Borrowers, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement, including Section

2.12(a). Nothing contained in this Section 2.12(f) shall limit the liability of any Borrower to pay the Loans made directly or indirectly to that Borrower and accrued interest, fees and expenses with respect thereto for which such Borrower shall be primarily liable.

(iv) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of each Borrower to which such contribution and indemnification is owing.

(v) The rights of the indemnifying Borrowers against other Loan Parties under this Section 2.12(f) shall be exercisable upon the Payment in Full.

(g) Liability Cumulative. The liability of Borrowers under this Section 2.12 is in addition to and shall be cumulative with all liabilities of each Borrower to Agent and Lenders under this Agreement and the other Loan Documents to which such Borrower is a party or in respect of any Obligations or obligation of the other Borrower, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

### 3. INTEREST AND FEES; LOAN ACCOUNT.

**3.1. Interest.** All Loans and other monetary Obligations shall bear interest at the interest rate(s) set forth in Section 3 of Annex I, and accrued interest shall be payable (a) on the first day of each month in arrears, (b) upon a prepayment of the Loan in accordance with Section 2.6 and (c) on the Maturity Date; *provided*, that after the occurrence and during the continuation of an Event of Default, all Loans and other monetary Obligations may, at the option of Agent or the discretion of the Required Lenders, bear interest at a rate per annum equal to two percentage points (2.00%) in excess of the rate otherwise applicable thereto (the "*Default Rate*"), and all such interest shall be payable on demand. Changes in the interest rate shall be effective as of the first day of each month based on the Adjusted Term SOFR or Base Rate, as applicable, in effect on such date. Subject to Section 3.6 and so long as no Event of Default shall have occurred and be continuing, all Loans shall constitute SOFR Loans. Upon the occurrence and during the continuance of an Event of Default, at the election of Agent or Required Lenders, all Loans shall constitute Base Rate Loans. Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues based on the Adjusted Term SOFR.

**3.2. Fees.** Borrowers shall pay Agent the following fees on the dates provided therefor, which fees are in addition to all fees and other sums payable by Borrowers or any other Person to Agent under this Agreement or under any other Loan Document:

(a) **Closing Fee.** A fee, for the ratable benefit of the Lenders, equal to \$222,900 (the "*Closing Fee*"), which shall be net settled on the Closing Date and treated as creating original issue discount on the Loans under Treasury Reg. section 1.1273-2(g)(2) for US federal income tax purposes.

(b) **Monthly Administration Fee.** A monthly fee, for the sole benefit of Agent, equal to \$6,500 (the "*Monthly Administration Fee*") for each month, or part thereof prior to the Termination Date. The Monthly Administration Fee shall be fully earned and due and payable monthly in advance on the first day of each month following the Closing Date and prorated as of the Closing Date.

(c) **Unused Line Fee.** An unused line fee (the "*Unused Line Fee*"), for the ratable benefit of the Lenders, equal to one half of one percent (0.50%) per annum of the amount by which (i) the Maximum Revolving Facility Amount, calculated without giving effect to any Reserves or the Availability Block applied to the Maximum Revolving Facility Amount, exceeds (ii) the average daily outstanding principal balance of the Revolving Loans during the immediately preceding month (or part thereof), which fee shall be fully earned as it accrues and shall be due and payable, in arrears, on the first day of each month until the Termination Date.

(d) **Letter of Credit Fees.** A fee equal to Applicable Margin for SOFR Loans of the face amount of each Letter of Credit (the "*Letter of Credit Fees*"), which fee shall be deemed to be fully earned and payable, in arrears, on the first day of each month until the Termination Date, plus all costs and fees charged from time to time by the issuer, payable as and when such costs and fees are charged.

(e) **Early Termination Fee.**

(i) If, before the third anniversary of the Closing Date, the Revolving Loan Commitment is reduced or terminated for any reason (including any voluntary, mandatory or automatic reduction or termination, regardless of whether an Event of Default has occurred and is then continuing, and including by reason of acceleration, automatic acceleration or otherwise), all or any portion of the M&E Term Loan is paid (or required to be paid) prior to the Scheduled Maturity Date (other than Scheduled M&E Term Loan Amortization Payments or the Prepayment Events described in clauses (a) and (b) in the definition thereof) or (ii) in each case pursuant to Section 2.6(d), Section 11.2 or otherwise, then in each such case, in addition to any required payment of principal and unpaid accrued interest and other amounts due thereon, Borrowers immediately shall be required to pay to Agent, for the ratable benefit of the Lenders, a premium (each, an "*Early Termination Fee*") (as liquidated damages and compensation for the cost of the Lenders being prepared to make funds available under the Revolving Loan Commitment during the scheduled term of this Agreement) in an amount equal to the Applicable Percentage (as defined below) of the amount of the M&E Term Loan payment or Revolving Loan Commitment or portion thereof so reduced or terminated. The "*Applicable Percentage*" shall be (A) three percent (3.0%), if such event occurs on or before the first anniversary of the Closing Date, (B) one percent (1.0%) if such event occurs after the first anniversary of the Closing Date, but on or before the second anniversary of the Closing Date or (C) zero percent (0.0%) if such event occurs after the second anniversary of the Closing Date, but on or before the third anniversary of the Closing Date.

(ii) The Early Termination Fee shall be calculated, earned and due and payable on and as of the date of the applicable reduction or termination of the Revolving Loan Commitment.

(iii) The Loan Parties acknowledge and agree that (A) the Lenders will have suffered damages on account of any of the foregoing events and that, in view of the difficulty in ascertaining the amount of such damages, the Early Termination Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof, and (B) payment of the Early Termination Fee due hereunder is reasonable under the circumstances currently existing. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LOAN PARTIES HEREBY EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT

THE COLLECTION OF THE FOREGOING EARLY TERMINATION FEES, INCLUDING IN CONNECTION WITH ANY ACCELERATION AND TERMINATION OF THE REVOLVING

LOAN COMMITMENT, INCLUDING IN CONNECTION WITH ANY VOLUNTARY OR INVOLUNTARY ACCELERATION AND THE TERMINATION OF THE REVOLVING LOAN COMMITMENT AS A RESULT OF ANY BANKRUPTCY OR INSOLVENCY PROCEEDING OR OTHER PROCEEDING PURSUANT TO ANY DEBTOR RELIEF LAWS OR PURSUANT TO A PLAN OF REORGANIZATION. Each of the Loan Parties hereby expressly agrees that: (w) the Early Termination Fee is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (x) the Early Termination Fee shall be payable notwithstanding the then prevailing market rates at the time payment is made; (y) there has been a course of conduct between the Lenders and the Loan Parties giving specific consideration in this transaction for such agreement to pay the Early Termination Fee subject to the terms hereof; and (z) the Loan Parties shall be estopped hereafter from claiming differently than as agreed to in this paragraph. Each of the Loan Parties hereby expressly acknowledges that the agreement to pay the Early Termination Fee as herein described is a material inducement to the Lenders to enter into this Agreement and the other Loan Documents.

**3.3. Computation of Interest and Fees.** All interest and fees shall be calculated daily on the outstanding monetary Obligations based on the actual number of days elapsed in a year of 360 days.

**3.4. Loan Account; Monthly Accountings.** Agent shall maintain a loan account for Borrowers reflecting all outstanding Loans, along with interest accrued thereon and such other items reflected therein (the "*Loan Account*"), and shall provide Borrower Representative with a monthly accounting reflecting the activity in the Loan Account, viewable by Borrowers on ABLSoft. Each accounting shall be deemed correct, accurate and binding on Borrowers and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by Agent), unless Borrower Representative notifies Agent in writing to the contrary within thirty days after such account is rendered, describing the nature of any alleged errors or omissions. However, Agent's failure to maintain the Loan Account or to provide any such accounting shall not affect the legality or binding nature of any of the Obligations. Interest, fees and other monetary Obligations due and owing under this Agreement may, in Agent's discretion, be charged to the Loan Account, and will thereafter be deemed to be Revolving Loans and will bear interest at the same rate as other Revolving Loans.

**3.5. Further Obligations; Maximum Lawful Rate.** With respect to all monetary Obligations for which the interest rate is not otherwise specified herein (whether such Obligations arise hereunder or under any other Loan Document, or otherwise), such Obligations shall bear interest at the rate(s) in effect from time to time with respect to the Revolving Loans and shall be payable upon demand by Agent. In no event shall the interest charged with respect to any Loan or any other Obligation exceed the maximum amount permitted under applicable law. Notwithstanding anything to the contrary herein or elsewhere, if at any time the rate of interest payable or other amounts hereunder or under any other Loan Document (the "*Stated Rate*") would exceed the highest rate of interest or other amount permitted under any applicable law to be charged (the "*Maximum Lawful Rate*"), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest and other amounts payable shall be equal to the Maximum Lawful Rate; *provided*, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, Borrowers shall, to the extent permitted by applicable law, continue to pay interest and such other amounts at the Maximum Lawful Rate until such time as the total interest and other such amounts received is equal to the total interest and other such amounts which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable or such other amounts payable. Thereafter, the interest rate and such other amounts payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall

again apply. In no event shall the total interest or other such amounts received by Agent exceed the amount which it could lawfully have received had the interest and other such amounts been calculated for

the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, Agent has received interest or other such amounts hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of the Loans or to other Obligations (other than interest) payable hereunder, and if no such principal or other Obligations are then outstanding, such excess or part thereof remaining shall be paid to Borrowers. In computing interest payable with reference to the Maximum Lawful Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made.

### **3.6. Certain Provisions Regarding SOFR Loans; Replacement of Lenders.**

(a) **Inadequate or Unfair Basis.** If Agent or any Lender reasonably determines (which determination shall be binding and conclusive on Borrowers) that, by reason of circumstances affecting the interbank market or otherwise, adequate and reasonable means do not exist for ascertaining the applicable Adjusted Term SOFR, then Agent or such Lender shall promptly notify Borrower Representative (and Agent, if applicable) thereof and, so long as such circumstances shall continue, (i) Agent and/or such Lender shall be under no obligation to make any SOFR Loans and (ii) on the last day of the current calendar month, each SOFR Loan shall, unless then Paid in Full, automatically convert to a Base Rate Loan.

(b) **Change in Law.** If, after the Closing Date, any change in, or the adoption of any new, law, treaty or regulation, or any change in the interpretation of any applicable law or regulation by any Governmental Authority charged with the administration thereof, would make it (or in the good faith judgment of Agent or the applicable Lender cause a substantial question as to whether it is) unlawful for Agent or such Lender to make, maintain or fund SOFR Loans, then Agent or such Lender shall promptly notify Borrower Representative and, so long as such circumstances shall continue, (i) Agent or such Lender shall have no obligation to make any SOFR Loan and (ii) on the last day of the current calendar month for each SOFR Loan (or, in any event, on such earlier date as may be required by the relevant law, regulation or interpretation), such SOFR Loan shall, unless then Paid in Full, automatically convert to a Base Rate Loan.

(c) If any Borrower becomes obligated to pay additional amounts to any Lender pursuant to Section 2.7(b), or any Lender gives notice of the occurrence of any circumstances described in Section 2.7(b), or if Lender becomes a Defaulting Lender, Borrowers may designate another Person engaged in the making of commercial loans in the ordinary course of business which is acceptable to Agent in its sole discretion (such other Person being called a "**Replacement Lender**") to purchase the Loans and Commitments of such Lender and such Lender's rights hereunder, without recourse to or warranty by, or expense to, such Lender, for a purchase price equal to the outstanding principal amount of the Loans payable to such Lender plus any accrued but unpaid interest on such Loans and all accrued but unpaid fees owed to such Lender and any other amounts payable to such Lender under this Agreement, and to assume all the obligations of such Lender hereunder, and, upon such purchase and assumption (pursuant to an Assignment and Assumption), such Lender shall no longer be a party hereto or have any rights hereunder (other than rights with respect to indemnities and similar rights applicable to such Lender prior to the date of such purchase and assumption) and shall be relieved from all obligations to Borrowers hereunder, and the Replacement Lender shall succeed to the rights and obligations of such Lender hereunder.

(d) **Benchmark Replacement Setting.**

(i) **Benchmark Replacement.**

(A) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, Agent and Borrower Representative may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00

p.m. on the fifth (5<sup>th</sup>) Business Day after Agent has posted such proposed amendment to all affected Lenders and Borrower Representative so long as Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 3.6(d) will occur prior to the applicable Benchmark Transition Start Date.

(B) **Benchmark Replacement Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(C) **Notices; Standards for Decisions and Determinations.** Agent will promptly notify Borrower Representative and the Lenders of (1) the implementation of any Benchmark Replacement and (2) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Agent will promptly notify Borrower Representative of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.6(d)(i)(D). Any determination, decision or election that may be made by Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.6(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.6(d).

(D) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (1) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (I) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Agent in its reasonable discretion or (II) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, then Agent may

modify the definition of "Term SOFR" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (2) if a tenor that was removed pursuant to clause

(1) above either (I) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (II) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks for a Benchmark (including a Benchmark Replacement), then Agent may modify the definition of "Term SOFR" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(E) **Benchmark Unavailability Period.** Upon Borrower Representative's receipt of notice of the commencement of a Benchmark Unavailability Period, (1) Borrower Representative may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower Representative will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans and (2) any outstanding affected SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable calendar month. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an available tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(ii) **No Requirement of Matched Funding.** Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to match fund any Obligation as to which interest accrues at Adjusted Term SOFR or the Term SOFR Reference Rate.

### **3.7. Term SOFR Conforming Changes.**

In connection with the use or administration of Term SOFR, Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Agent will promptly notify Borrower Representative and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

## **4. CONDITIONS PRECEDENT.**

### **4.1. Conditions to Initial Loans.**

Each Lender's obligation to fund the initial Loans and to cause any Letter of Credit to be issued under this Agreement is subject to the following conditions precedent (as well as any other conditions set forth in this Agreement or any other Loan Document), all of which must be satisfied in a manner acceptable to Agent (and as applicable, pursuant to documentation which in each case is in form and substance acceptable to Agent):

(a) each Loan Party shall have duly executed and/or delivered, or, as applicable, shall have caused such other applicable Persons to have duly executed and or

delivered, to Agent such agreements, instruments, documents, proxies, financial statements, projections, lien searches, legal opinions, title insurances, assessments, appraisals, and

certificates as Agent may require, including such other agreements, instruments, documents, proxies, financial statements, projections, lien searches, legal opinions, title insurance, assessments, appraisals, and certificates listed on the closing checklist attached hereto as Exhibit B;

(b) Agent shall have completed its business and legal due diligence pertaining to the Loan Parties and their respective businesses and assets, with results thereof satisfactory to Agent in its sole discretion;

(c) each Lender's obligations and commitments under this Agreement shall have been approved by such Lender's Credit Committee;

(d) after giving effect to such Loans, as well as to the payment of all trade payables older than sixty days past due and the consummation of all transactions contemplated hereby to occur on the Closing Date, closing costs and any book overdraft, Excess Availability shall be no less than \$250,000;

(e) the Closing Date Acquisition shall have been completed as anticipated by the Acquisition Documents;

(f) Isaac Capital Group LLC shall have invested \$5,000,000 in the Loan Parties pursuant to the Sponsor Subordinated Note (which shall be in form and substance satisfactory to the Agent);

(g) the Seller Subordinated Note shall be in the amount of \$35,000,000 and otherwise be in form and substance satisfactory to the Agent;

(h) since June 30, 2021, no event shall have occurred which has had, or could reasonably be expected to have, a Material Adverse Effect on any Loan Party; and

(i) Borrowers shall have paid to Agent all fees due on the date hereof, and shall have paid or reimbursed Agent for all of Agent's reasonable and documented out-of-pocket costs, charges and expenses incurred through the Closing Date (and in connection herewith, Borrowers hereby irrevocably authorizes Agent to charge such fees, costs, charges and expenses as Revolving Loans).

**4.2. Conditions to all Loans.** No Lender shall be obligated to fund any Loans or cause any Letter of Credit to be issued, unless the following conditions are satisfied:

(a) Borrower Representative shall have provided to Agent the information required in the Agent's ABLSoft system to determine the Borrowing Base, as of such borrowing or issue date, after giving effect to such Loans;

(b) each of the representations and warranties set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except where such representation or warranty is already qualified by Material Adverse Effect, materiality or similar qualifications, in which case such representation or warranty shall be true and correct in all respects) as of the date such Loan is made and such Letter of Credit is issued (or, to the extent any representations or warranties are expressly made solely as of an earlier date, such

representations and warranties shall be true and correct in all material respects (except where such representation or warranty is already qualified by Material Adverse Effect, materiality or similar

qualification in which such representation or warranty shall be true and correct in all respects) as of such earlier date), both before and after giving effect thereto;

(c) no Default or Event of Default shall be in existence, both before and after giving effect thereto; and

(d) no event shall have occurred or circumstance shall exist that has or could reasonably be expected to have a Material Adverse Effect.

Each request (or deemed request) by Borrowers for funding of a Loan or issuance of a Letter of Credit shall constitute a representation by each Borrower that the foregoing conditions are satisfied on the date of such request and on the date of such funding or issuance. As an additional condition to any funding, issuance or grant, Agent shall have received such other information, documents, instruments and agreements as it deems appropriate in connection therewith in its Permitted Discretion.

## 5. COLLATERAL.

**5.1. Grant of Security Interest.** To secure the full payment and performance of all of the Obligations, each Loan Party hereby collaterally assigns to Agent and grants to Agent, for itself and on behalf of the Lenders, a continuing security interest in all property of each Loan Party, whether tangible or intangible, real or personal, now or hereafter owned, existing, acquired or arising and wherever now or hereafter located, and whether or not eligible for lending purposes, including: (a) all Accounts (whether or not Eligible Account) and all Goods whose sale, lease or other disposition by any Loan Party has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, any Loan Party; (b) all Chattel Paper (including Electronic Chattel Paper), Instruments, Documents, and General Intangibles (including all patents, patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, Tax refund claims, claims against carriers and shippers, guaranty claims, contracts rights, payment intangibles, security interests, security deposits and rights to indemnification); (c) all Inventory (whether or not Eligible Inventory); (d) all Goods (other than Inventory), including Equipment, vehicles, and Fixtures; (e) all Investment Property, including all rights, privileges, authority, and powers of each Loan Party as an owner or as a holder of Pledged Equity, including all economic rights, all control rights, authority and powers, and all status rights of each Loan Party as a member, equity holder or shareholder, as applicable, of each Issuer and any rights related to any Loan Parties' capital account within the Issuer in respect of Investment Property; (f) all Deposit Accounts, bank accounts, deposits, money and cash; (g) all Letter-of-Credit Rights; (h) all Commercial Tort Claims, including those listed in Section 2 of the Perfection Certificate (if any); (i) all Supporting Obligations; (j) Reserved; (k) all leases; (l) Reserved; (m) the Global Intercompany Note and any and all amounts owing thereunder; (n) all tax returns or refunds, (o) any other property of any Loan Party now or hereafter in the possession, custody or control of Agent or any agent or any parent, Affiliate or Subsidiary of Agent, any Lender or any Participant with Lender in the Loans, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise); and (p) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property (including hazard, flood and credit insurance), and all of each Loan Party's books and records relating to any of the foregoing and to any Loan Party's business. Notwithstanding any of the provisions set forth in this Agreement to the contrary, nothing in this Agreement shall constitute a grant of a security interest in, and the Collateral shall not include, any Excluded Collateral.

**5.2. Possessory Collateral.** Promptly, but in any event no later than five (5) Business Days after any Loan Party's receipt of any portion of the Collateral evidenced by an agreement, Instrument or Document, including any Tangible Chattel Paper and any Investment Property consisting of certificated

securities, but excluding (a) checks received in the ordinary course of business and (b) negotiable Collateral with a fair market value in each individual case in excess of \$250,000 or in the aggregate in excess of \$500,000, such Loan Party shall deliver the original thereof to Agent together with an appropriate endorsement or other specific evidence of assignment thereof to Agent (in form and substance reasonably acceptable to Agent). If an endorsement or assignment of any such items shall not be made for any reason, Agent is hereby irrevocably authorized, as attorney and agent-in-fact (coupled with an interest) for each Loan Party, to endorse or assign the same on such Loan Party's behalf.

**5.3. Further Assurances.** Each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver (or cause each other applicable Person to take, execute, acknowledge and deliver) all such further acts, documents, agreements and instruments as Agent may from time to time reasonably require in order to (a) carry out the intent and purposes of the Loan Documents and the transactions contemplated thereby, (b) establish, create, preserve and perfect a first priority lien (subject only to Permitted Liens) in favor of Agent in all the Collateral (wherever located) from time to time owned by the Loan Parties and in all Pledged Equity (other than Parent) (including appraisals of real property in compliance with FIRREA) and (c) cause Parent and each Subsidiary of Borrower (other than any Excluded Subsidiary) to guaranty all of the Obligations, all pursuant to documentation that is in form and substance reasonably satisfactory to Agent. Without limiting the foregoing, each Loan Party shall, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver to Agent (or cause each such other applicable Person to take, executed, acknowledge and deliver) all promissory notes, security agreements, Collateral Access Agreements with landlords, mortgagees and processors and other bailees, subordination and intercreditor agreements and other agreements, instruments and documents, in each case in form and substance reasonably acceptable to Agent, as Agent may reasonably request from time to time to perfect and maintain Agent's security interests in the Collateral and to fully carry out the transactions contemplated by the Loan Documents; provided, the Borrowers shall only be required to use their commercially reasonable efforts to so execute and deliver Collateral Access Agreements with respect to any location used by the Borrowers on the Closing Date.

**5.4. UCC Financing Statements.** Each Loan Party authorizes Agent to file, transmit or communicate, as applicable, from time to time, UCC Financing Statements, along with amendments and modifications thereto, in all filing offices selected by Agent, listing such Loan Party as the Debtor and Agent as the Secured Party, and describing the collateral covered thereby in such manner as Agent may elect, including using descriptions such as "all personal property of debtor" or "all assets of debtor," or words of similar effect, in each case without such Loan Party's signature.

## **6. CERTAIN PROVISIONS REGARDING ACCOUNTS, INVENTORY, COLLECTIONS AND APPLICATIONS OF PAYMENTS.**

**6.1. Lock Boxes and Blocked Accounts.** Each Loan Party hereby represents and warrants that all Deposit Accounts and all other depository and other accounts maintained by each Loan Party as of the Closing Date are described in Section 3 of the Perfection Certificate, which description includes for each such account the name of the Loan Party maintaining the account, the name of the financial institution at which the account is maintained, the account number and the purpose of the account. After the Closing Date, no Loan Party shall open any new Deposit Account or any other depository or other account (other than Restricted Accounts) without the prior written consent of Agent and without updating Section 3 of the Perfection Certificate to reflect such Deposit Account or other account. No Deposit Account or other account of any Loan Party shall at any time constitute a Restricted Account other than accounts expressly indicated on Section 3 of the Perfection Certificate as being Restricted Accounts (and each Loan Party

hereby represents and warrants that each such account shall at all times meet the requirements set forth in the definition of Restricted Account to qualify as a Restricted Account). Subject

to Section 7.35, each Loan Party will, at its expense, establish (and revise from time to time as Agent may require) procedures acceptable to Agent, in Agent's reasonable discretion, for the collection of checks, wire transfers and all other proceeds of all of such Loan Party's Accounts and other Collateral ("**Collections**"), which shall include (a) directing all Account Debtors to send all Account proceeds directly to a post office box designated by Agent either in the name of such Loan Party (but as to which Agent has exclusive access) or, at Agent's option, in the name of Agent (a "**Lock Box**") and (b) depositing all Collections received by such Loan Party into one or more bank accounts maintained in the name of such Loan Party (but as to which Agent has exclusive access) or, at Agent's option, in the name of Agent (each, a "**Blocked Account**"), under an arrangement reasonably acceptable to Agent with a depository bank reasonably acceptable to Agent, pursuant to which all funds deposited into each Blocked Account are to be transferred to Agent in such manner, and with such frequency, as Agent shall specify, and/or (c) a combination of the foregoing. Subject to Section 7.35, each Loan Party agrees to execute, and to cause its depository banks and other account holders to execute, such Lock Box and Blocked Account control agreements and other documentation as Agent shall reasonably require from time to time in connection with the foregoing, all in form and substance reasonably acceptable to Agent, and in any event such arrangements and documents must be in place on the date hereof with respect to accounts in existence on the date hereof, or prior to any such account being opened with respect to any such account opened after the date hereof, in each case excluding Restricted Accounts. Prior to the Closing Date, Borrowers shall deliver to Agent a complete and executed Authorized Accounts form regarding each Borrower's operating account(s) into which the proceeds of Loans are to be paid in the form of Exhibit D annexed hereto. For so long as the account ending in #5801 (Borrower's collection account for accounts receivable) remains active at Farmers & Merchants Bank, Borrower shall initiate a daily transfer of all funds in such account to Agent's Bank.

**6.2. Application of Payments.** All amounts paid to or received by Agent in respect of monetary Obligations, from whatever source (whether from any Borrower or any other Loan Party pursuant to such other Loan Party's guaranty of the Obligations, any realization upon any Collateral or otherwise) shall be applied by Agent to the Obligations in such order as Agent may elect, and absent such election shall be applied as follows:

- (i) **FIRST**, to reimburse Agent for all out-of-pocket costs and expenses, and all indemnified losses, incurred by Agent which are reimbursable to Agent in accordance with this Agreement or any of the other Loan Documents;
- (ii) **SECOND**, to any accrued but unpaid interest on any Protective Advances;
- (iii) **THIRD**, to the outstanding principal of any Protective Advances;
- (iv) **FOURTH**, to any accrued but unpaid fees owing to Agent and Lenders under this Agreement and/or any other Loan Documents;
- (v) **FIFTH**, to any unpaid accrued interest on the Obligations;
- (vi) **SIXTH**, to the outstanding principal of the Loans and, to the extent required by Agent, to cash-collateralize the Letter of Credit Balance; and
- (vii) **SEVENTH**, to the payment of any other outstanding Obligations; and after Payment in Full, any further amounts paid to or received by Agent in respect of the

Obligations (so long as no monetary Obligations are outstanding) shall be paid over to Borrowers or such other Person(s) as may be legally entitled thereto.

For purposes of determining the Borrowing Base, such amounts will be credited to the Loan Account and reduce gross Accounts in the Borrowing Base Calculation upon Agent's receipt of an advice from Agent's Bank (set forth in Section 5 of Annex I) that such items have been credited to Agent's account at Agent's Bank (or upon Agent's deposit thereof at Agent's Bank in the case of payments received by Agent in kind), in each case subject to final payment and collection. However, for purposes of computing interest on the Obligations, such items shall be deemed applied by Agent three (3) Business Days after Agent's receipt of advice of deposit thereof at Agent's Bank; *provided*, that if such payment is received after 3:00

p.m. ET on any Business Day, such payment shall be deemed received on the following Business Day and deemed applied three (3) Business Days after such date.

**6.3. Notification; Verification.** Agent or its designee may, from time to time: (a) whether or not a Default or Event of Default has occurred and, unless an Event of Default is then continuing, solely in connection with inspections and verifications permitted under Sections 7.24 and 7.25, verify directly with the Account Debtors of the Loan Parties (or by any manner and through any medium Agent considers advisable) the validity, amount and other matters relating to the Accounts and Chattel Paper of the Loan Parties, by means of mail, telephone or otherwise, either in the name of the applicable Loan Party or Agent or such other name as Agent may choose; (b) during the continuance of an Event of Default, notify Account Debtors of the Loan Parties that Agent has a security interest in the Accounts of the Loan Parties; each such notification to be sent on the letterhead of such Loan Party and substantially in the form of Exhibit E annexed hereto; and (c) following the occurrence and during the continuance of a Default or Event of Default, demand, collect or enforce payment of any Accounts and Chattel Paper (but without any duty to do so) and, in furtherance of the foregoing, each Loan Party hereby authorizes Account Debtors to make payments directly to Agent and to rely on notice from Agent without further inquiry. Agent may on behalf of each Loan Party endorse all items of payment received by Agent that are payable to such Loan Party for the purposes described above.

**6.4. Power of Attorney.**

Without limiting any of Agent's and the other Lenders' other rights under this Agreement or any other Loan Document, each Loan Party hereby grants to Agent an irrevocable power of attorney, coupled with an interest, authorizing and permitting Agent (acting through any of its officers, employees, attorneys or agents), at Agent's option but without obligation, with or without notice to such Loan Party, and at each Loan Party's expense, to do any or all of the following, in such Loan Party's name or otherwise:

(a) at any time, after the occurrence and during the continuance of an Event of Default, (i) execute on behalf of such Loan Party any documents that Agent may, in its sole discretion, deem advisable in order to perfect, protect and maintain Agent's security interests, and priority thereof, in the Collateral and to fully consummate all the transactions contemplated by this Agreement and the other Loan Documents (including such Financing Statements and continuation Financing Statements, and amendments or other modifications thereto, as Agent shall deem necessary or appropriate) and to notify Account Debtors of the Loan Parties in the manner contemplated by Section 6.3, (ii) endorse such Loan Party's name on all checks and other forms of remittances received by Agent, (iii) pay any sums required on account of such Loan Party's Taxes or to secure the release of any Liens therefor, (iv) pay any amounts necessary to obtain, or maintain in effect, any of the insurance described in Section 7.14, (v) receive and

otherwise take control in any manner of any cash or non-cash items of payment or Proceeds of Collateral, (vi) receive, open and dispose of all mail addressed to such Loan Party at any post

office box or lockbox maintained by Agent for such Loan Party or at any other business premises of Agent and (vii) endorse or assign to Agent on such Loan Party's behalf any portion of Collateral evidenced by an agreement, Instrument or Document if an endorsement or assignment of any such items is not made by such Loan Party pursuant to Section 5.2; and

(b) at any time, after the occurrence and during the continuance of an Event of Default, (i) execute on behalf of such Loan Party any document exercising, transferring or assigning any option to purchase, sell or otherwise dispose of or lease (as lessor or lessee) any real or personal property which is the Collateral or in which Agent has an interest, (ii) execute on behalf of such Loan Party any invoices relating to any Accounts, any draft against any Account Debtor, any proof of claim in bankruptcy, any notice of Lien or claim, and any assignment or satisfaction of mechanic's, materialman's or other Lien, (iii) execute on behalf of such Loan Party any notice to any Account Debtor, (iv) pay, contest or settle any Lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same, (v) grant extensions of time to pay, compromise claims relating to, and settle Accounts, Chattel Paper and General Intangibles for less than face value and execute all releases and other documents in connection therewith, (vi) settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor, (vii) instruct any third party having custody or control of any the Collateral or books or records belonging to, or relating to, such Loan Party to give Agent the same rights of access and other rights with respect thereto as Agent has under this Agreement or any other Loan Document, (viii) change the address for delivery of such Loan Party's mail, (ix) solely in compliance with Section 11.3(g), vote any right or interest with respect to any Investment Property, and (x) instruct any Account Debtor to make all payments due to any Loan Party directly to Agent.

(c) If the Equity Notice Trigger has been satisfied then the Agent shall be required to give two (2) Business Days' prior written notice of its intent to exercise any right to vote or other consensual rights with respect to any Investment Property, including, without limitation, pursuant to Section 6.4(b)(ix) and Section 11.3.

Any and all sums paid, and any and all reasonable and documented costs, expenses, liabilities, obligations and reasonable and documented attorneys' fees (internal and external counsel) of Agent with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the Revolver Interest Rate set forth on Annex I hereto. Each Loan Party agrees that Agent's rights under the foregoing power of attorney and any of Agent's other rights under this Agreement or the other Loan Documents shall not be construed to indicate that Agent or any Lender is in control of the business, management or properties of any Loan Party.

**6.5. Disputes.** Each Loan Party shall promptly notify Agent of all disputes or claims relating to its Accounts and Chattel Paper (to extent included in the Borrowing Base) having a value greater than \$200,000. Each Loan Party agrees that it will not, without Agent's prior written consent, compromise or settle any of its Accounts or Chattel Paper (to extent included in the Borrowing Base) having a value greater than \$200,000 for less than the full amount thereof, grant any extension of time for payment of any of such Accounts or Chattel Paper, release (in whole or in part) any Account Debtor or other person liable for the payment of any of such Accounts or Chattel Paper or grant any credits, discounts, allowances, deductions, return authorizations or the like with respect to any of such Accounts or Chattel Paper; except (unless otherwise directed by Agent during the existence of a Default or an Event of

Default) such Loan Party may take any of such actions in the Ordinary Course of Business consistent with past practices, *provided*, that Borrower Representative promptly reports the same to Agent.

**6.6. Invoices.** At Agent's request after the occurrence and during the continuance of an Event of Default, each Loan Party will cause all invoices and statements that it sends to Account Debtors or other third parties to be marked and authenticated, in a manner reasonably satisfactory to Agent, to reflect Agent's security interest therein and payment instructions (including, but not limited to, in a manner to meet the requirements of Section 9-404(a)(2) of the UCC).

**6.7. Inventory.**

(a) **Reserved.**

(b) **Third Party Locations.** No Loan Party will, without notice to Agent's within thirty (30) days of so storing any Inventory with a value in excess of \$250,000, at any time, store any Inventory with any warehouseman or other third party other than as set forth in Section 1(d) of the Perfection Certificate.

(c) **Sale on Return, etc.** No Loan Party will, without Agent's prior written consent, at any time, sell any Inventory on a sale-or-return, guaranteed sale, consignment, or other contingent basis.

(d) **Fair Labor Standards Act.** Each Loan Party represents, warrants and covenants that, at all times, all of the Inventory of each Loan Party has been, at all times will be, produced only in accordance in all material respects with the Fair Labor Standards Act of 1938 and all rules, regulations and orders promulgated thereunder.

(e) **Eligibility.** As of each date reported by any Borrower, all Inventory which such Borrower has then reported to Agent as then being Eligible Inventory shall comply with the criteria for eligibility set forth in the definition of Eligible Inventory).

**7. REPRESENTATIONS, WARRANTIES AND AFFIRMATIVE COVENANTS.**

To induce Agent and the Lenders to enter into this Agreement, each Loan Party represents, warrants and covenants as follows (it being understood and agreed that (a) each such representation and warranty (i) will be made as of the date hereof and be deemed remade as of each date on which any Loan is made or Letter of Credit is issued (except to the extent any such representation or warranty expressly relates only to any earlier or specified date, in which case such representation or warranty will be made as of such earlier or specified date) and (ii) shall not be affected by any knowledge of, or any investigation by, Agent or any Lender and (b) each such covenant shall continuously apply with respect to all times commencing on the date hereof and continuing until the Termination Date):

**7.1. Existence and Authority.** Each Loan Party is (a) duly organized, validly existing and in good standing under the laws of its jurisdiction of organization (which jurisdiction is identified in Section 1(a) of the Perfection Certificate) and (b) is qualified to do business in each jurisdiction in which the operation of its business requires that it be qualified (which each such jurisdiction is identified in Section 1(a) of the Perfection Certificate), except with respect to this clause (b), where the failure to qualify, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Loan Party has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby. The execution, delivery and

performance by each Loan Party of this Agreement and all of the other Loan Documents to which such Loan Party is a party have been duly and validly authorized, (a) do not violate (i) such Loan Party's Governing Documents (ii) any applicable law, except, with respect to

this clause (ii), where any such violation, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (iii) any Material Contract to which a Loan Party is a party or by which a Loan Party or any of its property is bound or (iv) any court order which is binding upon any Loan Party or its property, (b) do not constitute grounds for acceleration of any Indebtedness or obligation under any contract which is binding upon any Loan Party or its property, and (c) do not require the consent of any Person which has not yet been obtained, except, with respect to this clause (c), where the failure to obtain such consent, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Loan Party shall preserve and maintain all of its leases, licenses, permits, franchises qualifications, and rights that are necessary and desirable in the Ordinary Course of Business, except where the failure so maintain, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No Loan Party is required to obtain any government approval, consent, or authorization from, or to file any declaration or statement with, any Governmental Authority in connection with or as a condition to the execution, delivery or performance of any of the Loan Documents, except for any approvals, consents, authorizations or filings (x) that have been obtained or made and are in full force and effect on the Closing Date or (y) the failure of which to obtain would not cause a Material Adverse Effect. This Agreement and each of the other Loan Documents have been duly executed and delivered by, and are enforceable against, each of the Loan Parties who have signed them, in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor's rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law). Section 1(f) of the Perfection Certificate sets forth the ownership of each Loan Party and their Subsidiaries (and specifically identifies as an "Excluded Subsidiary" any Subsidiary that shall be an Excluded Subsidiary under this Agreement).

**1.3. Names; Trade Names and Styles.** The name, type of entity and location of organization of each Loan Party set forth on Section 1(b) of the Perfection Certificate is its correct and complete legal name as of the date hereof, in any Tax filing made in any jurisdiction. Listed in Section 1(b) of the Perfection Certificate are all prior names used by each Loan Party at any time in the past five years and all of the present and prior trade names used by any Loan Party at any time in the past five years. Borrower Representative shall give Agent at least thirty days' prior written notice (and will deliver an updated Section 1(b) of the Perfection Certificate to reflect the same) before it or any other Loan Party changes its legal name or does business under any other name.

**1.4. Title to Collateral; Third Party Locations; Permitted Liens.** Each Loan Party has, and at all times will continue to have, good and legal title to all of the Collateral necessary for the conduct of its business. The Collateral now is, and at all times will remain, free and clear of any and all Liens, except for Permitted Liens. Agent now has, and will at all times continue to have, a first priority perfected and enforceable security interest in all of the Collateral (for the avoidance of doubt, other than any Excluded Collateral), subject only to the Permitted Liens, and each Loan Party will use its commercially reasonable efforts to defend Agent and the Collateral against all claims of others. None of the Collateral which is Equipment is, or will at any time, be affixed to any real property in such a manner, or with such intent, as to become a fixture. Except for (i) leases or subleases for locations used by the Borrowers on the Closing Date as to which Borrowers have used commercially reasonable efforts to deliver to Agent a Collateral Access Agreement and (ii) leases or subleases for all other locations as to which Borrowers have delivered to Agent a Collateral Access Agreement (unless waived by Agent), no Loan Party is or will be a lessee or sublessee under any real property lease or sublease; *provided* that the requirements set forth in

this sentence and any establishment of rent reserves shall be subject to the post-closing time periods set forth on Schedule 7.35. Except for (i) warehouses used by the Borrowers on the Closing Date

as to which Borrowers have used commercially reasonable efforts to deliver to Agent a Collateral Access Agreement (unless waived by Agent) and (ii) all other warehouses as to which Borrowers have delivered to Agent a Collateral Access Agreement, no Loan Party is or will at any time be a bailor of any Goods at any warehouse or otherwise; *provided* that the requirements set forth in this sentence and any establishment of rent reserves shall be subject to the post-closing time periods set forth on Schedule 7.35. Each applicable Loan Party will keep at all times in full force and effect, and will comply at all times in all material respects with the terms of, any lease of real property where any of the Collateral now or in the future may be located subject to Permitted Protests, solely to the extent failure to do so would cause a Material Adverse Effect. Nothing in this Section 7.4 shall prohibit the Agent from establishing a rent or similar Reserve for any lease location (other than the Retail Locations) for which a Collateral Access Agreement has not been received.

**1.5. Accounts and Chattel Paper.** As of each date reported by Borrowers, all Accounts which any Borrower has then reported to Agent as then being Eligible Accounts comply with the criteria for eligibility set forth in the respective definition of Eligible Accounts. All such Accounts, and all Chattel Paper owned by any Loan Party, are genuine and in all respects what they purport to be, arise out of a completed, bona fide and unconditional and non-contingent sale and delivery of goods or rendition of services by a Borrower in the Ordinary Course of Business and in accordance in all material respects with the terms and conditions of all purchase orders, contracts or other documents relating thereto, and the transactions giving rise to such Accounts and Chattel Paper comply in all material respects with all applicable laws and governmental rules and regulations.

**1.6. Electronic Chattel Paper.** To the extent that any Loan Party obtains or maintains any Electronic Chattel Paper, such Loan Party shall at all times create, store and assign the record or records comprising the Electronic Chattel Paper in such a manner that (a) a single authoritative copy of the record or records exists which is unique, identifiable and except as otherwise provided below, unalterable, (b) the authoritative copy identifies Agent as the assignee of the record or records, (c) the authoritative copy is communicated to and maintained by Agent or its designated custodian, (d) copies or revisions that add or change an identified assignee of the authoritative copy can only be made with the participation of Agent, (e) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy and (f) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

**1.7. Capitalization; Investment Property.**

(a) No Loan Party, directly or indirectly, owns, or shall at any time own, any Equity Interest of any other Person except as set forth in Sections 1(f) and 1(g) of the Perfection Certificate, which Sections list all Investment Property owned by each Loan Party as of the Closing Date, or as permitted by Section 8.5.

(b) None of the Pledged Equity has been issued or otherwise transferred in violation in any material respect of the Securities Act, or other applicable laws of any jurisdiction to which such issuance or transfer may be subject. The Pledged Equity pledged by each Loan Party hereunder constitutes all of the issued and outstanding Equity Interests of each Issuer owned by such Loan Party.

(c) All of the Pledged Equity has been duly and validly issued and is fully paid and non-assessable, and the holders thereof are not entitled to any preemptive, first refusal or

other similar rights. There are no outstanding options, warrants or similar agreements, documents, or instruments with respect to any of the Pledged Equity.

(d) Each Loan Party has caused each Issuer to amend or otherwise modify its Governing Documents, books, records, and related agreements, documents and instruments, as applicable, to reflect the rights and interests of Agent hereunder, and to the extent required to enable and empower Agent to exercise and enforce its rights and remedies hereunder in respect of the Pledged Equity and other Investment Property.

(e) Each Loan Party will take any and all actions reasonably requested by Agent, from time to time, to (i) cause Agent to obtain "control" (as such term is defined in the applicable UCC) of any Investment Property in a manner reasonably acceptable to Agent and (ii) obtain from any Issuers and such other Persons as Agent shall specify, for the benefit of Agent, written confirmation of Agent's exclusive control over such Investment Property and take such other actions as Agent may reasonably request to perfect Agent's security interest in any Investment Property. For purposes of this Section 7.6, Agent shall have exclusive control of Investment Property if (A) pursuant to Section 5.2, such Investment Property consists of certificated securities and the applicable Loan Party delivers such certificated securities to Agent (with all appropriate endorsements), (B) such Investment Property consists of uncertificated securities and either (x) the applicable Loan Party delivers such uncertificated securities to Agent or (y) the Issuer thereof agrees, pursuant to documentation in form and substance reasonably satisfactory to Agent, that it will comply with instructions originated by Agent without further consent by the applicable Loan Party and (C) such Investment Property consists of security entitlements and either (x) Agent becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to documentation in form and substance reasonably satisfactory to Agent, that it will comply with entitlement orders originated by Agent without further consent by the applicable Loan Party. Each Loan Party that is a limited liability company or a partnership hereby represents and warrants that it has not, and at no time will, elect pursuant to the provisions of Section 8-103 of the UCC to provide that its Equity Interests are securities governed by Article 8 of the UCC.

(f) No Loan Party owns, or has any present intention of acquiring, any "*margin security*" or any "*margin stock*" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System (herein called "*margin security*" and "*margin stock*"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying, or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry, any margin security or margin stock or for any other purpose which might constitute the transactions contemplated hereby by a "*purpose credit*" within the meaning of said Regulations T, U or X, or cause this Agreement to violate any other regulation of the Board of Governors of the Federal Reserve System or the Exchange Act, or any rules or regulations promulgated under such statutes.

(g) No Loan Party shall vote to enable, or take any other action to cause or to permit, any Issuer to issue any Equity Interests of any nature, or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of any Issuer.

(h) No Loan Party shall take, or fail to take, any action that would materially impair the enforceability of Agent's Lien on any of the Investment Property, or any of Agent's material rights or remedies under this Agreement or any other Loan Document with respect to any of the Investment Property.

(i) In the case of any Loan Party which is an Issuer, such Issuer agrees that the terms of Section 11.3(g)(iii) shall apply to such Loan Party with respect to all actions that

may be required of it pursuant to such Section 11.3(g)(iii) regarding the Investment Property issued by it.

(j) Each Loan Party has made all capital contributions heretofore required to be made to the respective Issuer in respect of any Investment Property constituting limited liability company interests and no additional capital contributions are required to be made in respect of the respective limited liability company interests.

#### **1.8. Commercial Tort Claims; Letter-Of-Credit Rights.**

(a) No Loan Party has any Commercial Tort Claims pending as of the Closing Date other than those listed in Section 2 of the Perfection Certificate, and each Loan Party shall promptly (but in any case, no later than five (5) Business Days thereafter) notify Agent in writing upon incurring or otherwise obtaining a Commercial Tort Claim after the date hereof against any third party with a value reasonably expected to exceed \$250,000 or in the aggregate to exceed \$500,000. Such notice shall constitute such Loan Party's authorization to amend such Section 2 to add such Commercial Tort Claim and shall automatically be deemed to amend such Section 2 to include such Commercial Tort Claim.

(b) No Loan Party has any Letter-of-Credit Rights as of the Closing Date other than those listed in Section 8 of the Perfection Certificate, and each Loan Party shall promptly (but in any case, no later than ten (10) Business Days thereafter) notify Agent in writing upon acquiring any Letter-of-Credit Rights after the Closing Date with an aggregate stated amount of \$250,000 or more, and, at the request of Agent, such Loan Party shall promptly (and in any event within ten (10) Business Days after Agent's request (or such longer period as Agent may agree in its discretion)) either (i) arrange for the issuer and any confirmer of the applicable letter of credit to consent to an assignment to Agent of the proceeds of any drawing under such letter of credit or (ii) arrange for Agent to become the transferee beneficiary of such letter of credit, with Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in this Agreement.

**1.9. Jurisdiction of Organization; Location of Collateral.** Sections 1(c) and 1(d) of the Perfection Certificate set forth (a) each place of business of each Loan Party (including its chief executive office), (b) all locations where all Inventory, Equipment, and other Collateral owned by each Loan Party and having a value in excess of \$150,000 is kept and (c) whether each such Collateral location and place of business (including each Loan Party's chief executive office) is owned by a Loan Party or leased (and if leased, specifies the complete name and notice address of each lessor). No Collateral is located outside the United States or in the possession of any lessor, bailee, warehouseman or consignee, except as expressly indicated in Sections 1(c) and 1(d) of the Perfection Certificate or to the extent having a value of less than \$150,000. Each Loan Party will give Agent at least thirty (30) days' prior written notice before changing its jurisdiction of organization, opening any additional place of business, changing its chief executive office or the location of its books and records, or moving any of the Collateral to a location other than one of the locations set forth in Sections 1(c) and 1(d) of the Perfection Certificate, and will execute and deliver all Financing Statements, Collateral Access Agreement, mortgages, and all other agreements, instruments and documents which Agent shall require in connection therewith prior to making such change, all in form and substance reasonably satisfactory to Agent; provided, that with respect to Collateral Access Agreements, the Borrowers shall only be required to use commercially reasonable efforts to so execute and deliver. Without the prior written consent of Agent, no Loan Party

will at any time (i) change its jurisdiction of organization or (ii) allow any Collateral to be located outside of the continental United States of America.

**1.10. Financial Statements and Reports; Solvency.**

(a) All financial statements delivered to Agent and Lenders by or on behalf of any Loan Party have been, and at all times will be, prepared in conformity with GAAP and fairly reflect in all material respects the financial condition of each Loan Party covered thereby, at the times and for the periods therein stated.

(b) As of the date hereof (after giving effect to the Loans to be made on the date hereof, and the consummation of the transactions contemplated hereby), and as of each other day that any Loan is made or Letter of Credit is issued (after giving effect thereof), (i) the fair saleable value of all of the assets and properties of the Loan Parties, taken as a whole, exceeds the aggregate liabilities and Indebtedness of each such Loan Party (including contingent liabilities), (ii) the Loan Parties, taken as a whole, are solvent and able to pay its debts as they come due, (iii) the Loan Parties, taken as a whole, have sufficient capital to carry on its business as now conducted and as proposed to be conducted, (iv) no Loan Party is contemplating either the liquidation of all or any substantial portion of its assets or property, or the filing of any petition under any state, federal, or other bankruptcy or insolvency law and (v) no Loan Party has received any threat in writing from any Person regarding the filing of a petition against such Loan Party.

**1.11. Tax Returns and Payments; Pension Contributions.** Each Loan Party has timely filed all material tax returns and reports required by applicable law, has timely paid all applicable material Taxes, assessments, deposits and contributions owing by such Loan Party and will timely pay all such items in the future as they became due and payable. Each Loan Party may, however, defer payment of any contested taxes pursuant to a Permitted Protest; *provided*, that such Loan Party (a) notifies Agent in writing of the commencement of, and any material development in, the proceedings and (b) posts bonds or takes any other steps required in such Loan Party's good faith determination to keep the contested taxes from becoming a Lien upon any of the Collateral. No Loan Party is aware of any claims or adjustments proposed for any prior tax years that could result in additional material taxes becoming due and payable by any Loan Party. Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable laws. Each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the knowledge of each Loan Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status. There are no pending or, to the knowledge of any Loan Party, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to result in liabilities individually or in the aggregate in excess of \$250,000 of any Loan Party. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in liabilities individually or in the aggregate of any Loan Party in excess of \$250,000. No ERISA Event has occurred, and no Loan Party is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan, in each case that could reasonably be expected to result in liabilities individually or in the aggregate in excess of \$250,000. Each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, in each

case except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$250,000. As of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is sixty percent (60%)

or higher and no Loan Party knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below sixty percent (60%) as of the most recent valuation date. No Loan Party or any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid, except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$250,000. No Loan Party or any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$250,000. No Pension Plan has been terminated by the plan administrator thereof or by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan, except as could not reasonably be expected to result in liabilities individually or in the aggregate to the Loan Parties in excess of \$250,000.

#### **1.12. Compliance with Laws; Intellectual Property; Licenses.**

(a) Each Loan Party has complied, and will continue at all times to comply, in all material respects with all provisions of all applicable laws and regulations, including those relating to the ownership of real or personal property, the conduct and licensing of each Loan Party's business, the payment and withholding of Taxes and employee matters, and safety and Environmental Matters.

(b) No Loan Party has received written notice of default or violation, or is in default or violation, with respect to any judgment, order, writ, injunction, decree, demand or assessment issued by any court or any federal, state, local, municipal or other Governmental Authority relating to any material portion of any Loan Party's business, affairs, properties or assets. No Loan Party has received written notice of or been charged with, or is, to the knowledge of any Loan Party, under investigation with respect to, any violation in any material respect of any provision of any applicable law.

(c) No Loan Party owns any registered or pending Intellectual Property (to the extent constituting Collateral), except as set forth in Section 4 of the Perfection Certificate. Except as set forth in Section 4 of the Perfection Certificate, none of the Intellectual Property (to the extent constituting Collateral) owned by any Loan Party is the subject of any licensing or franchise agreement pursuant to which such Loan Party is the licensor or franchisor. Each Loan Party shall promptly (but in any event within thirty (30) days thereafter) notify Agent in writing of any additional registered or pending Intellectual Property (to the extent constituting Collateral) rights acquired or arising after the Closing Date and shall submit to Agent a supplement to Section 4 of the Perfection Certificate to reflect such additional rights; *provided*, that such Loan Party's failure to do so shall not impair Agent's security interest therein. Each Loan Party shall execute a separate security agreement granting Agent a security interest in such Intellectual Property (whether owned on the Closing Date or thereafter and solely to the extent constituting Collateral), in form and substance reasonably acceptable to Agent and suitable for registering such security interest in such Intellectual Property with the United States Patent and Trademark Office and/or United States Copyright Office, as applicable; *provided*, that such Loan Party's failure to do so shall not impair Agent's security interest therein. Each Loan Party owns or has, and will at all times continue to own or have, the valid right to use all material patents, trademarks, copyrights, software, computer programs, equipment designs, network designs, equipment configurations, technology and other Intellectual Property necessary for the conduct of

such Loan Party's business, and each Loan Party is in compliance, and will continue at all times to comply, in all material respects with all licenses, user agreements and other such agreements

regarding the use of Intellectual Property necessary for the conduct of business. No Loan Party has any knowledge that, or has received any written notice claiming that, any of such Intellectual Property (to the extent constituting Collateral) materially infringes upon or violates the intellectual property rights of any other Person. To any Loan Party's knowledge, there is no third party Intellectual Property licensed to a Loan Party that is necessary for, or critical to, the manufacture, sale or distribution of any products or services of any Loan Party, and no licensed third party Intellectual Property is necessary for Agent to exercise its rights to enforce Agent's Liens with respect to the Collateral, including the right to dispose of it, during the existence of an Event of Default.

(d) Each Loan Party has and will continue at all times to have, all federal, state, local and other licenses and permits required to be maintained in connection with such Loan Party's business operations, and all such licenses and permits are valid and in full force and effect, except for any licenses or permits the failure of which to maintain or be in full force and effect, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Loan Party has, and will continue at all times to have, complied with the requirements of such licenses and permits in all material respects, and has received no written notice of any pending or threatened proceedings for the suspension, termination, revocation or limitation thereof. No Loan Party is aware of any facts or conditions that could reasonably be expected to cause or permit any of such licenses or permits to be voided, revoked or withdrawn.

**1.13. Litigation.** Section 1(e) of the Perfection Certificate discloses all claims, proceedings, litigation or investigations pending or (to each Loan Party's knowledge) threatened in writing against any Loan Party as of the Closing Date which could reasonably be expected to result in any judgment against or liability of such Loan Party in excess of \$250,000 individually and \$500,000 in the aggregate (other than a money judgment or judgments fully covered (except for customary deductibles, copayments, or self-insured retentions in an amount not to exceed \$250,000 individually or \$500,000 in the aggregate) by insurance as to which the insurance company has accepted coverage) individually or in the aggregate with respect to all Loan Parties. There is no claim, suit, litigation, proceeding or investigation pending or (to each Loan Party's knowledge) threatened in writing against or affecting any Loan Party in any court or before any Governmental Authority (or any basis therefor known to any Loan Party) which may result, either separately or in the aggregate, in liability in excess of \$250,000 on individually and \$500,000 in the aggregate for the Loan Parties, in any Material Adverse Effect, or in any material impairment in the ability of any Loan Party to carry on its business in substantially the same manner as it is now being conducted.

**1.14. Use of Proceeds.** All proceeds of all Loans shall be used by Borrowers solely (a) with respect to Loans made on the Closing Date, to finance a portion of the Closing Date Acquisition, (b) to pay the fees, costs, and expenses incurred in connection with this Agreement, the Closing Date Acquisition, the other Loan Documents and the transactions contemplated hereby and thereby, (c) for Borrowers' working capital and general corporate purposes and (d) for such other purposes as specifically permitted pursuant to the terms of this Agreement. All proceeds of all Loans will be used solely for lawful business purposes.

**1.15. Insurance.**

(a) Each Loan Party will at all times carry property, liability and other insurance, with insurers reasonably acceptable to Agent, in such form and amounts, and with such deductibles and other provisions, as Agent shall reasonably require, but in any event, in such

amounts and against such risks as is usually carried by companies engaged in similar business and owning similar properties in the same general areas in which such Loan Party operates, and each Borrower will provide Agent with evidence reasonably satisfactory to Agent that such insurance is, at all times, in full force and effect. A true and complete listing of such insurance as of the Closing Date, including issuers, coverages and deductibles, is set forth in Section 5 of the Perfection Certificate. Each property insurance policy shall name Agent as lender loss payee and mortgagee, if applicable, and shall contain a lender's loss payable endorsement, and a mortgagee endorsement, if applicable, and each liability insurance policy shall name Agent as an additional insured, and each business interruption insurance policy shall be collaterally assigned to Agent, all in form and substance reasonably satisfactory to Agent. All policies of insurance shall provide that they may not be cancelled or changed without at least thirty (30) days' (or, with respect to nonpayment of premiums, ten (10) days') prior written notice to Agent, and shall otherwise be in form and substance reasonably satisfactory to Agent. Borrower Representative shall advise Agent promptly of any policy cancellation, non-renewal, reduction, or material amendment with respect to any insurance policies maintained by any Loan Party or any receipt by any Loan Party of any notice from any insurance carrier regarding any intended or threatened cancellation, non-renewal, reduction or material amendment of any of such policies, and Borrower Representative shall promptly deliver to Agent copies of all notices and related documentation received by any Loan Party in connection with the same.

(b) Borrower Representative shall deliver to Agent no later than five (5) days after the expiration of any then current insurance policies, insurance certificates evidencing renewal of all such insurance policies required by this Section 7.14. Borrower Representative shall deliver to Agent, upon Agent 's request, certificates evidencing such insurance coverage in such form as Agent shall specify.

**(c) IF ANY LOAN PARTY AT ANY TIME OR TIMES HEREAFTER SHALL FAIL TO OBTAIN OR MAINTAIN ANY OF THE POLICIES OF INSURANCE REQUIRED ABOVE (AND PROVIDE EVIDENCE THEREOF TO AGENT) OR TO PAY ANY PREMIUM RELATING THERETO, THEN AGENT, WITHOUT WAIVING OR RELEASING ANY OBLIGATION OR DEFAULT BY ANY BORROWER HEREUNDER, MAY (BUT SHALL BE UNDER NO OBLIGATION TO) OBTAIN AND MAINTAIN SUCH POLICIES OF INSURANCE AND PAY SUCH PREMIUMS AND TAKE SUCH OTHER ACTIONS WITH RESPECT THERETO AS AGENT DEEMS ADVISABLE UPON NOTICE TO BORROWER REPRESENTATIVE. SUCH INSURANCE, IF OBTAINED BY AGENT, MAY, BUT NEED NOT, PROTECT ANY LOAN PARTY'S INTERESTS OR PAY ANY CLAIM MADE BY OR AGAINST ANY LOAN PARTY WITH RESPECT TO THE COLLATERAL. SUCH INSURANCE MAY BE MORE EXPENSIVE THAN THE COST OF INSURANCE ANY LOAN PARTY MAY BE ABLE TO OBTAIN ON ITS OWN AND MAY BE CANCELLED ONLY UPON THE APPLICABLE LOAN PARTY PROVIDING EVIDENCE THAT IT HAS OBTAINED THE INSURANCE AS REQUIRED ABOVE. ALL SUMS DISBURSED BY AGENT IN CONNECTION WITH ANY SUCH ACTIONS, INCLUDING COURT COSTS, EXPENSES, OTHER CHARGES RELATING THERETO AND REASONABLE INTERNAL AND EXTERNAL ATTORNEY COSTS, SHALL CONSTITUTE LOANS HEREUNDER, SHALL BE PAYABLE ON DEMAND BY LOAN PARTIES TO AGENT AND, UNTIL PAID, SHALL BEAR INTEREST AT THE HIGHEST RATE THEN APPLICABLE TO LOANS HEREUNDER.**

**1.16. Financial, Collateral and Other Reporting / Notices.** Each Loan Party has kept, and will at all times keep, adequate records and books of account with respect to its business activities and the

Collateral in which proper entries are made in accordance with GAAP reflecting all its financial transactions. The information provided in the Perfection Certificate is correct and complete in all respects. Each Loan Party will cause to be prepared and furnished to Agent, in each case in a form and in such detail as is reasonably acceptable to Agent the following items (the items to be provided under this Section 7.15 shall be delivered to Agent by posting on ABLSoft or, if requested by Agent, by another form of Approved Electronic Communication or in writing):

(a) **Annual Financial Statements.** Not later than ninety (90) days after the close of each Fiscal Year, unqualified, audited financial statements of each Loan Party as of the end of such Fiscal Year, including balance sheet, income statement, and statement of cash flow for such Fiscal Year, in each case on a consolidated and consolidating basis, certified by a firm of independent certified public accountants of recognized standing selected by Borrowers but reasonably acceptable to Agent, together with a copy of any management letter issued in connection therewith. Concurrently with the delivery of such financial statements, Borrower Representative shall deliver to Agent a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 9, and setting forth a detailed calculation of such covenants and (ii) any Default or Event of Default is then in existence;

(b) **Interim Financial Statements.** Not later than thirty (30) days after the end of each month hereafter, including the last month of each Fiscal Year, unaudited interim financial statements of each Loan Party as of the end of such month and of the portion of such Fiscal Year then elapsed, including balance sheet, income statement, statement of cash flow, and results of their respective operations during such month and the then-elapsed portion of the Fiscal Year, together with comparative figures for the same periods in the immediately preceding Fiscal Year and the corresponding figures from the budget for the Fiscal Year covered by such financial statements, in each case on a consolidated and consolidating basis, certified by the principal financial officer of Borrower Representative as prepared in accordance with GAAP and fairly presenting the consolidated financial position and results of operations (including management discussion and analysis of such results) of each Loan Party for such month and period subject only to changes from ordinary course year-end audit adjustments and except that such statements need not contain footnotes. Concurrently with the delivery of such financial statements, Borrower Representative shall deliver to Agent a Compliance Certificate, indicating whether (i) Borrowers are in compliance with each of the covenants specified in Section 9, and setting forth a detailed calculation of such covenants, and (ii) any Default or Event of Default is then in existence;

(c) **Borrowing Base / Collateral Reports / Insurance Certificates / Perfection Certificates / Other Items.** The Borrowing Base Calculation, information and items described on Annex II hereto by the respective dates set forth therein. All information provided by Borrowers to Agent in each Borrowing Base Calculation (i) is certified to be true and correct in all respects and based on information contained in the Borrowers' financial records, (ii) is in accordance with the representations, warranties, agreements and covenants for such information in this Agreement as to the determination of the Borrowing Base and (iii) may be utilized for the determination and calculation of the Borrowing Base. Agent may from time to time adjust such Borrowing Base Calculation to the extent any such information or calculation does not comply with this Agreement;

(d) **Projections, Etc.** (i) Not later than the end of each Fiscal Year, draft forms of monthly business projections for the following Fiscal Year for the Loan Parties on a

consolidated and consolidating basis, which projections shall include for each such period Borrowing Base projections, profit and loss projections, balance sheet projections, income

statement projections and cash flow projections, and (ii) not later than thirty (30) days after the end of each Fiscal Year, such projections as approved by the Board of Directors of Borrower;

(e) **Shareholder Reports, Etc.** Promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports which each Loan Party has made available to its shareholders and copies of any regular, periodic and special reports or registration statements which any Loan Party files with the Securities and Exchange Commission or any Governmental Authority which may be substituted therefor, or any national securities exchange;

(f) **ERISA Reports.** Copies of any annual report to be filed pursuant to the requirements of ERISA in connection with each plan subject thereto promptly upon request by Agent and in addition, each Loan Party shall promptly notify Agent upon having knowledge of any ERISA Event;

(g) **Tax Returns.** Each federal and material state income tax return filed by any Loan Party or Other Obligor promptly (but in no event later than ten days following the filing of such return), together with such supporting documentation as is supplied to the applicable tax authority with such return and proof of payment of any amounts owing with respect to such return;

(h) **Notification of Certain Changes.** Promptly (and in no case later than the earlier of (i) three Business Days after a Loan Party obtains knowledge of the occurrence of any of the following and (ii) such other date that such information is required to be delivered pursuant to this Agreement or any other Loan Document) notification to Agent in writing of (A) the occurrence of any Default or Event of Default, (B) the occurrence of any event that has had, or could reasonably be expected to have, a Material Adverse Effect, (C) any change in any Loan Party's officers or directors, (D) any investigation, action, suit, proceeding or claim (or any material development with respect to any existing investigation, action, suit, proceeding or claim) relating to any Loan Party, any officer or director of a Loan Party, the Collateral or which could reasonably be expected to result in a Material Adverse Effect, (E) any material loss or damage to the Collateral, (F) reserved, (G) the receipt of written notice received from any Person regarding any actual or alleged breaches of any Material Contract or termination or threat to terminate any Material Contract or any material amendment to or modification of a Material Contract, or the execution of any new Material Contract by any Loan Party and (H) any change in any Loan Party's certified independent accountant. In the event of each such notice under this Section 7.15(h), Borrower Representative shall give notice to Agent of the action or actions that each Loan Party has taken, is taking, or proposes to take with respect to the event or events giving rise to such notice obligation; and

(i) **Other Information.** Promptly upon request, such other data and information (financial and otherwise) as Agent, from time to time, may reasonably request, bearing upon or related to the Collateral or each Loan Party's and each Other Obligor's business or financial condition or results of operations.

**1.17. Litigation Cooperation.** Should any third-party suit, regulatory action, or any other judicial, administrative, or similar proceeding be instituted by or against Agent or any Lender with respect to any Collateral or in any manner relating to any Loan Party, this Agreement, any other Loan Document or the transactions contemplated hereby, each Loan Party shall, without expense to Agent or any Lender,

use commercially reasonable efforts to make available each Loan Party, such Loan Party's officers, employees and agents, and any Loan Party's books and records, without charge, to the extent that Agent

or such Lender may reasonably deem them necessary in order to prosecute or defend any such suit or proceeding.

**1.18. Maintenance of Collateral, Etc.** Each Loan Party will maintain all of the Collateral in good working condition, ordinary wear and tear excepted, and no Loan Party will use the Collateral for any unlawful purpose.

**1.19. Material Contracts.** Except as expressly disclosed in Section 1(h) of the Perfection Certificate, no Loan Party is (a) a party to any contract which has had or could reasonably be expected to have a Material Adverse Effect or (b) in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (x) any contract to which it is a party or by which any of its assets or properties is bound, which default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in liabilities in excess of \$250,000 or (y) any Material Contract. Except for the contracts and other agreements listed in Section 1(h) of the Perfection Certificate, no Loan Party is party, as of the Closing Date, to any contract, the breach, nonperformance or cancellation of which, could reasonably be expected to have a Material Adverse Effect (each such contract and agreement, a "**Material Contract**").

**1.20. No Default.** No Default or Event of Default has occurred and is continuing.

**1.21. No Material Adverse Change.** Since June 30, 2021 no event has occurred which has had, or could reasonably be expected to have, a Material Adverse Effect.

**1.22. Full Disclosure.** Excluding projections and other forward-looking information, pro forma financial information and information of a general economic or industry nature, no written report, notice, certificate, information or other statement delivered or made (including, in electronic form) by or on behalf of any Loan Party, any Other Obligor or any of their respective Affiliates to Agent or Lender in connection with this Agreement or any other Loan Document contains or will at the time delivered contain any untrue statement of a material fact, or omits or will at the time delivered omit to state any material fact necessary to make any statements contained herein or therein not misleading in any material respect. Except for matters of a general economic or political nature which do not affect any Loan Party or any Other Obligor uniquely, there is no fact presently known to any Loan Party which has not been disclosed to Agent, which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Any projections and other forward-looking information and pro forma financial information contained in such materials were prepared in good faith based upon assumptions that were believed by such Loan Party to be reasonable at the time prepared and at the time furnished in light of conditions and facts then known (it being recognized that such projections and other forward-looking information and pro forma financial information are not to be viewed as facts and that actual results during the period or periods covered by any such projections or information may differ from the projected results, and such differences may be material).

**1.23. Sensitive Payments.** No Loan Party (a) has made or will at any time make any contributions, payments or gifts to or for the private use of any governmental official, employee or agent where either the payment or the purpose of such contribution, payment or gift is illegal under the applicable laws of the United States or the jurisdiction in which made or any other applicable jurisdiction, (b) has established or maintained or will at any time establish or maintain any unrecorded fund or asset for any purpose or made any false or artificial entries on its books, (c) has made or will at any time make any payments to any Person with the intention that any part of such payment was to be used for any purpose other than that described in the documents supporting the payment or (d) has engaged in or will



at any time engage in any "*trading with the enemy*" or other transactions violating any rules or regulations of the Office of Foreign Assets Control or any similar applicable laws, rules or regulations.

#### **1.24. Subordinated Debt.**

(a) Borrower Representative has furnished Agent a true, correct and complete copy of each of the Subordinated Debt Documents. No statement or representation made in any of the Subordinated Debt Documents by any Borrower or any other Loan Party or, to any Borrower Representative's knowledge, any other Person, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading in any material respect as of the time that such statement or representation is made. Each of the representations and warranties of the Loan Parties set forth in each of the Subordinated Debt Documents are true and correct in all respects. No portion of the Subordinated Debt is, or at any time shall be, (i) secured by any assets of any of the Loan Parties or any other Person or any equity issued by any of the Loan Parties or any other Person (except to the extent expressly permitted by the Subordinated Debt Subordination Agreement) or (ii) guaranteed by any Person (except to the extent expressly permitted by the Subordinated Debt Subordination Agreement).

(b) The provisions of the Subordinated Debt Subordination Agreement are enforceable against each holder of the Subordinated Debt. Each Borrower and each other Loan Party acknowledges that Agent is entering into this Agreement and extending credit and making the Loans in reliance upon the Subordinated Debt Subordination Agreement and this Section

7.23. All Obligations constitute senior Indebtedness entitled to the benefits of the subordination provisions contained in the Subordinated Debt Documents.

**1.25. Access to Collateral, Books and Records.** At reasonable times, during normal business hours and upon prior reasonable (but not less than two (2) Business Days) notice, Agent and its representatives or agents shall have the right to inspect the Collateral and to examine and copy each Loan Party's books and records; provided, that unless an Event of Default has occurred and is continuing, such inspections and examinations shall be limited to three (3) per calendar year. Each Loan Party agrees to give Agent access to any or all of such Loan Party's, and each of its Subsidiaries', premises to enable Agent to conduct such inspections and examinations. Such inspections and examinations shall be at Borrowers' expense and the charge therefor shall be \$1,250 per person per day (or such higher amount as shall represent Agent's then current standard charge), plus out-of-pocket expenses. Agent may, at Borrowers' expense, use each Loan Party's personnel, computer and other equipment, programs, printed output and computer readable media, supplies and premises for the collection, sale or other disposition of Collateral to the extent Agent, in its sole discretion, deems appropriate. Each Loan Party hereby irrevocably authorizes all accountants and third parties to disclose and deliver to Agent, at Borrowers' expense, all financial information, books and records, work papers, management reports and other information in their possession regarding the Loan Parties.

**1.26. Appraisals.** Each Loan Party will permit Agent and each of its representatives or agents to conduct, at reasonable times, during normal business hours and upon prior reasonable (but not less than two (2) Business Days) notice appraisals and valuations of the Collateral at such times and intervals as Agent may designate (including any appraisals that may be required to comply with FIRREA); provided,

that unless an Event of Default has occurred and is continuing, such appraisals and valuations shall be limited to three (3) per calendar year. Such appraisals and valuations shall be at Borrowers' expense.

**1.27. Lender Meetings.** Upon the request of Agent or the Required Lenders (which request, so long as no Event of Default shall have occurred and be continuing, shall not be made more than once during each fiscal quarter), participate in a telephonic meeting with Agent and the Lenders at such time as may be agreed to by Borrower Representative and Agent or the Required Lenders.

**1.28. Interrelated Businesses.** Loan Parties make up a related organization of various entities constituting a single economic and business enterprise so that Loan Parties share an identity of interests such that any benefit received by any one of them benefits the others. Subject to any terms and conditions of this Agreement from time to time each of the Loan Parties may render services to or for the benefit of the other Loan Parties, purchase or sell and supply goods to or from or for the benefit of the others, make loans, advances and provide other financial accommodations to or for the benefit of the other Loan Parties (including inter alia, the payment by such Loan Parties of creditors of the other Loan Parties and guarantees by such Loan Parties of indebtedness of the other Loan Parties and provides administrative, marketing, payroll and management services to or for the benefit of the other Loan Parties). Loan Parties have the same centralized accounting and legal services, certain common officers, directors and managers and generally do not provide stand-alone consolidating financial statements to creditors.

**1.29. Parent.** Parent shall not: (a) engage in any activities other than acting as a holding company and transactions incidental thereto, maintaining its corporate existence, and entering into and performing its obligations under the Loan Documents or the Acquisition Documents; (b) hold any assets other than (i) all of the issued and outstanding Equity Interests of any Borrower or other Parent, (ii) contractual rights pursuant to the Loan Documents, and (iii) cash in an amount not to exceed the amount required for the purpose of promptly paying general operating expenses (including without limitation audit fees, reasonable and customary director and officer compensation and indemnification obligations pursuant to its Governing Documents); and (c) incur any liabilities other than under the Loan Documents, and obligations incurred in the Ordinary Course of Business related to its existence, including Taxes, franchise or other entity existence taxes and fees payable to its state of incorporation or organization, payment of reasonable and customary director fees and expenses, and indemnification obligations pursuant to its Governing Documents.

**1.30. Investment Company Act.** No Loan Party or any Subsidiary is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

**1.31. Anti-Corruption Laws and Sanctions.** The Parent has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Parent, its Subsidiaries and their respective officers and employees, to the knowledge of the Parent its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Parent, its Subsidiaries or any of their respective directors, officers or employees, or (b) to the knowledge of the Parent, any agent of the Parent or its Subsidiaries that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No borrowing of any Loans, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

**1.32. Labor Matters.** No Loan Party is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against any Loan Party or any of its Subsidiaries, or to the knowledge of each Loan Party, threatened against any of them and no grievance or arbitration proceeding arising out of or under any

collective bargaining agreement that is so pending against any Loan Party or any of its Subsidiaries or to the knowledge of each Loan Party, threatened against any of them, (b) no strike or work stoppage in

existence or threatened involving any Loan Party or any of its Subsidiaries, and (c) to the knowledge of each Loan Party, no union representation question existing with respect to the employees of any Loan Party or any of its Subsidiaries and, to the knowledge of each Loan Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such could not reasonably be expected to have a Material Adverse Effect.

### **1.33. Cybersecurity and Data Protection.**

(a) The information technology systems used in the business of the Parent and its Subsidiaries operate and perform in all material respects as required to permit Parent and its Subsidiaries to conduct their business as presently conducted. Neither Parent, nor any of its Subsidiaries, nor to the knowledge of the Loan Parties, any vendor of Parent or any of its Subsidiaries, has suffered any data breaches that (i) have resulted in any unauthorized access, acquisition, use, control, disclosure, destruction, or modification of any information subject to Data Protection Laws or any material Intellectual Property of Parent and its Subsidiaries, or (ii) have resulted in unauthorized access to, control of, or disruption of the information technology systems of Parent or any of its Subsidiaries.

(b) Except as would not cause or could not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Effect, (i) Parent and its Subsidiaries have implemented and maintain a reasonable enterprise-wide privacy and information security program with plans, policies and procedures for privacy, physical and cyber security, disaster recovery, business continuity and incident response, including reasonable and appropriate administrative, technical and physical safeguards to protect information subject to Data Protection Laws and the information technology systems of Parent and each of its Subsidiaries from any unauthorized access, use, control, disclosure, destruction or modification, (ii) Parent and each of its Subsidiaries is in compliance with all applicable requirements of law and Material Contracts regarding the privacy and security of customer, consumer, patient, employee and other personal data and is compliant with their respective published privacy policies and (iii) there have not been any incidents of, or, to the knowledge of the Loan Parties, any third party claims related to, any loss, theft, unauthorized access to, or unauthorized acquisition, modification, disclosure, corruption, destruction, or other misuse of any information subject to Data Protection Laws (including any ransomware incident) that Parent or any of its Subsidiaries creates, receives, maintains, or transmits.

**1.34. Environmental Compliance.** Except as disclosed on Schedule 7.32 and except as to matters that could not reasonably be likely to have a Material Adverse Effect:

(a) The facilities and properties currently owned, leased or operated by the Loan Parties (the “*Properties*”), do not contain any Hazardous Materials in amounts or concentrations which (i) constitute a violation of, or (ii) could reasonably be expected to give rise to liability under, any applicable Environmental Law.

(b) None of the Loan Parties has received any written notice of violation, alleged violation, non-compliance, liability or potential liability regarding compliance with or liability under Environmental Laws with regard to any of the Properties or the business operated by the Loan Parties (the “*Business*”).

(c) Hazardous Materials have not been transported or disposed of from the Properties by the Loan Parties in violation of, or in a manner or to a location which could

reasonably be expected to give rise to liability under, any applicable Environmental Law, nor have any Hazardous Materials been generated, treated, stored or disposed of by the Loan Parties at or under any of the Properties in violation of, or in a manner that could reasonably be expected to give rise to liability under, any applicable Environmental Law.

(d) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of a Responsible Officer, threatened in writing under any Environmental Law to which the Loan Parties are or, to the knowledge of a Responsible Officer, will be named as a party or with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other similar administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business.

(e) To the knowledge of a Responsible Officer, there has been no release or threat of release of Hazardous Materials at or from the Properties, or arising from or related to the operations of the Loan Parties in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could reasonably be expected to give rise to liability under any applicable Environmental Laws.

(f) The Loan Parties have obtained (or in a timely manner applied for), and is in compliance with, all Environmental Permits required for its business, as currently conducted, and all such Environmental Permits are in full force and effect.

### **1.35. Acquisition.**

(a) To the knowledge of each Loan Party, none of the parties to any Acquisition Agreement is in default of any of its material obligations under such Acquisition Agreement, (ii) all written information with respect to the Acquisition and the business and assets to be acquired in connection with the Closing Date Acquisition furnished to the Agent by any Loan Party or on behalf of any Loan Party, was, to the Parent's knowledge at the time the same were so furnished, complete and correct in all material respects, (iii) to the knowledge of the Parent, no representation, warranty or statement made by any party to any Acquisition Document, at the time they were made in any Acquisition Document, or any agreement, certificate, statement or document required to be delivered pursuant to any Acquisition Document, contains any untrue statement of material fact or omits to state a material fact necessary in order to make the statements contained in such Acquisition Documents not misleading in light of the circumstances in which they were made, and (iv) after giving effect to the transactions contemplated by this Agreement, the Acquisition Agreement and the other Acquisition Documents and Loan Documents, the Loan Parties will have good title to the assets to be purchased pursuant to the Acquisition Documents, free and clear of all Liens other than Permitted Liens.

(b) Reserved.

(c) The Loan Parties have delivered to the Agent a complete and correct copy of each material Acquisition Document, including all schedules and exhibits thereto. Such material Acquisition Documents sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral, relating to the matters covered thereby. The execution, delivery

and performance of each Acquisition Document has been duly authorized by all necessary action (including, without limitation, the obtaining of any consent of stockholders or other holders of Equity Interests or Indebtedness of each Person party thereto as required by law or by any

applicable corporate or other organizational documents) on the part of each such Person. No authorization or approval or other action by, and no notice to filing with or license from, any Government Authority is required for the consummation of the transactions contemplated by the Acquisition Documents other than such as have been obtained on or prior to the Closing Date. Each Acquisition Document is the legal, valid and binding obligation of each Loan Party thereto and, to the knowledge of any Loan Party, the other parties thereto, enforceable against such parties in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor's rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(d) All aspects of the transactions contemplated by the Acquisition Documents have been effected in all material respects in accordance with terms of the Acquisition Documents and applicable Law. At the time of consummation thereof, all consents and approvals of, and filings and registrations with, and all other actions in respect of, all Government Authorities required in order to consummate the transactions in accordance with the terms of the Acquisition Documents and all applicable Laws shall have been obtained, given, filed or taken and are in full force and effect (or effective judicial relief with respect thereto has been obtained). Additionally, at the time of consummation thereof, there does not exist any judgment, order or injunction prohibiting or imposing material adverse conditions upon the consummation of the transactions contemplated by the Acquisition Documents.

**1.36. Post-Closing Matters.** Loan Parties shall satisfy the requirements set forth on Schedule 7.36 hereof on or before the dates specified therein or such later date to be determined by Agent, at its sole option, each of which shall be completed or provided in form and substance reasonably satisfactory to Agent. The failure to satisfy any such requirement on or before the date when due (or within such longer period as Agent may agree at its sole option) shall be an Event of Default, except as otherwise agreed to by Agent at its sole option.

## 8. NEGATIVE COVENANTS.

**8.1. Indebtedness; Certain Equity Interests.** No Loan Party shall, and no Loan Party shall permit any other Loan Party to create, incur, assume, or permit to exist, directly or indirectly any Indebtedness other than Permitted Indebtedness.

**8.2. Guaranties.** Other than Guaranties of the Obligations, no Loan Party will, or will permit any Subsidiary of a Loan Party to, at any time Guaranty or enter into or assume any Guaranty, or be obligated with respect to, or permit to be outstanding, any Guaranty, other than, so long as done in the Ordinary Course of Business, (a) Guaranties by a Loan Party or any Subsidiary thereof of obligations under agreements of any other Loan Party entered into in connection with the acquisition of services, supplies, and equipment in the Ordinary Course of Business (other than with respect to any Indebtedness),  
(b) endorsements of negotiable instruments for deposit and (c) Guaranties of any Indebtedness permitted by Section 8.1.

**8.3. Liens.** No Loan Party will, or will permit any Subsidiary of a Loan Party to, (a) create, assume, incur, or permit or suffer to exist or to be created, assumed, or permitted or suffered to exist, directly or indirectly, any Lien on any of its property, real or personal, now owned or hereafter acquired by it, or assign or sell any income or revenues (including Accounts) or rights in respect of any thereof,

except for Permitted Liens or rights of depository banks at which such Accounts are held or (b) authorize, enter into, or execute any agreement giving a Person control of a (i) Deposit Account as contemplated by

Section 9-104 of the UCC or (ii) Securities Account as contemplated by Section 9-106 of the UCC, in each case other than in favor of Agent to secure the Obligations.

**8.4. Restricted Payments and Purchases.** No Loan Party shall, or shall permit any Subsidiary of a Loan Party to, directly or indirectly declare or make any Restricted Payment or Restricted Purchase, or set aside any funds for any such purpose, other than Dividends on common stock which accrue (but are not paid in cash) or are paid in kind or Dividends on preferred stock which accrue (but are not paid in cash) or are paid in kind; *provided*, that:

(a) any wholly owned Subsidiary of a Loan Parties may make Restricted Payments to such Loan Party;

(b) a Loan Party may, and may permit any of its Subsidiaries to, pay reasonable and customary directors' fees and expenses and indemnities, *provided*, that the amount of such fees, expenses and indemnities for directors who are not employed by a Loan Party does not exceed \$500,000 in the aggregate for the Loan Parties and their Subsidiaries collectively during any fiscal year;

(c) a Loan Party may pay Dividends to holders of its Capital Stock, so long as, after giving effect to such payment, the Payment Conditions are satisfied;

(d) a Loan Party may make payments pursuant to the Management Agreement, so long as, after giving effect to such payment, the Payment Conditions are satisfied;

(e) a Loan Party may make payments pursuant to the Earnout Payments, so long as, the Earnout Payment Conditions are satisfied;

(f) a Loan Party may make, to the extent constituting a Restricted Payment, Permitted Tax Distributions;

(g) a Loan Party may, and may permit any of its Subsidiaries to, make distributions to Parent which are immediately used by Parent (or sent by Parent to its direct or indirect parent company) to redeem from current or former directors, officers, employees, members of management, managers or consultants of Parent or any other Loan Party (or their respective immediate family members) Equity Interests *provided*, that all of the following conditions are satisfied:

(i) no Default or Event of Default has occurred and is continuing or would arise as a result of such Restricted Payment; and

(ii) the aggregate Restricted Payments permitted under this clause (g) in any Fiscal Year of the Loan Parties shall not exceed \$50,000; and

(h) a Loan Party may make payments of Indebtedness as set forth in subclause (w) of the definition of Permitted Indebtedness so long as the Interiors One Payment Conditions are satisfied.

Notwithstanding the foregoing, no Restricted Payment or Restricted Purchase shall include the transfer of any Intellectual Property to any Person (other than a Loan Party).

**8.5. Investments.** No Loan Party will, or will permit any Subsidiary of a Loan Party to, make Investments, except that:

- (a) Loan Parties may purchase or otherwise acquire, own and may permit any of its Subsidiaries to purchase or otherwise acquire and own (i) cash and (ii) Cash Equivalents, subject in each case to the requirements of Section 6.1;
- (b) the Loan Parties may hold the Investments in existence on the Closing Date and described in Sections 1(f) and (g) of the Perfection Certificate;
- (c) the Loan Parties and their Subsidiaries may hold the Equity Interests of their respective Subsidiaries to the extent such Subsidiaries are Subsidiaries as of the Closing Date or become Subsidiaries following the Closing Date in accordance with the remaining terms of this Section 8.5;
- (d) the Loan Parties may license Intellectual Property in each case in a manner not materially interfering with the conduct of the business of the Loan Parties or with Agent's rights and interests (including the Liens granted thereto) in such Intellectual Property;
- (e) the Loan Parties may (A) extend trade credit in the Ordinary Course of Business and (B) acquire and hold accounts receivables owing to any of them if created or acquired in the Ordinary Course of Business and payable or dischargeable in accordance with customary terms;
- (f) the Loan Parties and their Subsidiaries may endorse negotiable instruments held for collection in the Ordinary Course of Business; (i) to the extent constituting Investments, the Loan Parties and their Subsidiaries may make (A) earnest money deposits made in connection with the acquisition of property or assets not prohibited hereunder and (B) deposits made in the Ordinary Course of Business to the extent constituting a Lien permitted under Section 8.3;
- (g) the Loan Parties and their Subsidiaries may make Investments in securities of trade creditors in the Ordinary Course of Business received upon foreclosure or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers so long as Agent, for the benefit of the Lenders, is granted a first priority security interest in such Investments, which Lien is perfected contemporaneously therewith;
- (h) without limiting Section 8.2, a Loan Party may make Investments in any other Loan Party that is organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia;
- (i) so long as no Default or Event of Default has occurred and is continuing, the Borrowers may convert any of their Accounts that are in excess of ninety (90) days past due into notes issued by Account Debtors to a Borrower pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the Ordinary Course of Business, consistent with past practices, so long as Agent, for the benefit of the Lenders, is granted a first

priority security interest in such notes, which Lien is perfected contemporaneously with the conversion of such Account to notes;

(j) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, other Investments by the Loan Parties and their Subsidiaries not to exceed \$150,000 in the aggregate at any time outstanding.

Notwithstanding the foregoing, no Investment shall include the disposition or transfer of any Intellectual Property to any Person (other than (x) to a Loan Party or (y) as provided in clause (d) above).

**8.6. Affiliate Transactions.** No Loan Party shall, or shall permit any Subsidiary of a Loan Party to, enter into or be a party to any agreement or transaction with any Affiliate (other than a Loan Party) except to the extent such agreement or transaction:

(a) if entered into on or prior to the Closing Date, is described on Schedule 8.6 attached hereto;

(b) if entered into after the Closing Date, is fully disclosed in writing to Agent and is expressly approved by Agent in writing, prior to the entry of a Loan Party or the applicable Subsidiary thereof into such agreement or transaction;

(c) occurs upon fair and reasonable terms that are no less favorable to such Loan Party or such Subsidiary than it would obtain in a comparable arm's length transaction with a Person not an Affiliate of such Loan Party or such Subsidiary;

(d) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, constitutes a payment of customary fees, reasonable out-of-pocket costs and customary indemnities to directors, officers, consultants and employees of a Loan Party in the Ordinary Course of Business;

(e) (A) is an employment agreement entered into by a Loan Party or any of the Subsidiaries in the Ordinary Course of Business, and (B) is an employee compensation, benefit plan or arrangement, any health, disability or similar insurance plan which covers employees, in any such case approved by a Loan Party's Board of Directors, and any reasonable and customary employment contract and transactions pursuant thereto;

(f) constitutes payments of loans (or cancellations of loans) to employees that are (A) approved by a majority of the Board of Directors of a Loan Party in good faith, (B) made in compliance with applicable law, and (C) otherwise permitted under this Agreement; or

(g) transactions amongst the Loan Parties that are permitted under Sections 8.1, 8.4 or 8.5; or

Notwithstanding the foregoing, no transaction involving any Affiliate (other than a Loan Party) shall include the disposition or transfer of any Intellectual Property

**8.7. Liquidation; Change in Ownership, Name, or Year; Disposition or Acquisition of Assets; Etc .** No Loan Party shall, or shall permit any Subsidiary to, at any time:



(a) Liquidate or dissolve itself (or suffer any liquidation or dissolution) or otherwise wind up its business, except any Subsidiary may liquidate or dissolve into another Subsidiary so long as, if a Loan Party is involved in such transaction a Loan Party survives such transaction and, if a Borrower is involved in such transaction, such Borrower survives such transaction (**provided**, that, in any case, no Domestic Subsidiary may liquidate or dissolve into any Foreign Subsidiary);

(b) Sell, Divide, lease, abandon, transfer or otherwise dispose of, in a single transaction or a series of related transactions (including pursuant to or in connection with any “plan of division” as contemplated under the Delaware Limited Liability Company Act or otherwise), any assets, property or business (including any Equity Interests it holds) (each an “**Asset Sale**”), except for (i) the sale of Inventory in the Ordinary Course of Business at the fair market value thereof and for cash or cash equivalents, (ii) the physical assets used or consumed in the Ordinary Course of Business, (iii) the sale of used, obsolete or worn out property in the Ordinary Course of Business, (iv) the abandonment, cancellation or other disposition of any Intellectual Property in the Ordinary Course of Business or that, in the good faith determination of a Loan Party, are uneconomical, negligible, obsolete or otherwise not material to the conduct of its business, (v) the licensing of Intellectual Property in a manner not materially interfering with the conduct of the business of the Loan Parties or any of their Subsidiaries or with Agent’s or Lender’s rights and interests (including the Liens granted thereto) in such Intellectual Property, (vi) so long as no Event of Default has occurred and is continuing, the purchase price therefor is paid solely in cash and the seller thereof receives not less than fair market value for such assets, the sale of other assets having a value not exceeding \$250,000 in the aggregate for all Loan Parties and their Subsidiaries in any Fiscal Year or (vii) licenses, sublicenses, leases or subleases granted in the Ordinary Course of Business to other Persons not materially interfering with the conduct of the business of the Loan Parties or any of their Subsidiaries;

(c) Acquire (i) all or any substantial part of the Equity Interests of any Person, (ii) all or any substantial part of the assets, property or business of any Person, or (iii) any assets that constitute a division or operating unit of the business of any Person, in each case other than (i) pursuant to any acquisition expressly permitted under Section 8.5 or (ii) the Interiors One Acquisition;

(d) Merge or consolidate with any other Person, except (i) in connection with the Flooring Merger or (ii) upon not less than five (5) Business Days prior written notice to Agent, any Subsidiary of a Loan Party may merge or consolidate with a Loan Party (other than Parent) or any other wholly-owned Subsidiary of a Loan Party; **provided**, that a Loan Party or such wholly-owned Subsidiary shall be the continuing or surviving entity and all actions reasonably required by Agent, including actions required to maintain perfected Liens on the Equity Interests of the surviving entity and other Collateral in favor of Agent, shall have been completed;

(e) Change its legal name, state of incorporation or formation or structure without giving Agent at least thirty (30) Business Days’ prior written notice of its intention to do so and complying with all requirements of Agent in regard thereto and providing prompt written notice to Agent once the applicable change has taken place;

- (f) Change its year-end for accounting purposes from the Fiscal Year ending on September 30;

(g) Create any Subsidiary, unless (i) such Subsidiary is a Domestic Subsidiary and concurrently therewith the Loan Parties cause such Domestic Subsidiary to become a Guarantor hereunder, and, in connection therewith, take all actions reasonably required by Agent, including actions required in connection with obtaining and maintaining perfected Liens in favor of Agent on the Equity Interests of such Domestic Subsidiary and all assets of such Domestic Subsidiary constituting Collateral or (ii) such Subsidiary is created in connection with the Mountain Flooring Creation; or

(h) In the case of any limited liability company, and notwithstanding anything herein or in any other Loan Document to the contrary, Divide itself into two or more limited liability companies (pursuant to a “plan of division” as contemplated under the Delaware Limited Liability Company Act or otherwise) without the prior written consent of Agent, and, in the event that any Loan Party or any Subsidiary thereof that is a limited liability company Divides itself into two or more limited liability companies (with or without the prior consent of Agent as required above), any limited liability companies formed as a result of such division shall be required to comply with the obligations set forth in Section 5.3 and the other applicable further assurances obligations set forth in the Loan Documents (in each case as if such resulting limited liability company were a Loan Party or a Subsidiary of a Loan Party), and to become a Borrower or Loan Party (as required by Agent after consultation with the Borrower Representative), if required by the terms of this Agreement, under this Agreement and the other Loan Documents.

Notwithstanding the foregoing, no transaction under this Section 8.7 (other than as provided in clause (b)(v) above) shall include the disposition or transfer of Intellectual Property to any Person (other than a Loan Party) which could reasonably be expected to be necessary for the disposition of ABL Priority Collateral by Agent in connection with the exercise of remedies during the continuation of an Event of Default.

**8.8. Conduct of Business.** Loan Parties shall not engage, and shall not permit any Subsidiary to engage, in any line of business substantially different from the lines of business conducted by the Loan Parties and their Subsidiaries on the Closing Date.

**8.9. Sales and Leasebacks; Operating Leases.** No Loan Party shall, or shall permit any Subsidiary of a Loan Party to, (a) enter into any arrangement, directly or indirectly, with any third party whereby such Loan Party or such Subsidiary, as applicable, shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby such Loan Party or such Subsidiary, as applicable, shall then or thereafter rent or lease as lessee such property or any part thereof or other property which such Loan Party or such Subsidiary intends to use for substantially the same purpose or purposes as the property sold or transferred or (b) create, incur or suffer to exist, any obligations as lessee for the payment of rent for any real or personal property under leases or agreements to lease other than (A) Capitalized Leases permitted under Section 8.1 and (B) operating lease obligations incurred in the Ordinary Course of Business.

**8.10. Amendment and Waiver.** Except as permitted hereunder, no Loan Party shall, or shall permit any Subsidiary of a Loan Party to, (a) enter into any amendment, or agree to or accept any waiver, of its articles or certificate of incorporation or formation and by-laws, partnership agreement or other governing documents, in each case which could materially adversely affect the rights of Agent or any Lender, (b) permit any Material Contract to be amended, cancelled or terminated prior to its stated maturity if such amendment, cancellation or termination could reasonably be expected to have a Material Adverse Effect, (c) permit any agreement evidencing any other Subordinated Debt to be amended,

modified or supplemented, except as permitted under any applicable subordination agreement, or (e) permit any agreement (other than the agreements evidencing Subordinated Debt) evidencing or relating to

any Indebtedness (other than the Obligations) permitted under Section 8.1 to be amended, waived, supplemented or otherwise modified in a manner which could materially adversely affect the rights of Agent or any Lender.

**8.11. Prepayments.** No Loan Party shall, or shall permit any Subsidiary of a Loan Party to, prepay, redeem, defease, purchase in any manner, make any other distribution (whether in cash, securities or other property), or deposit or set aside funds (including any sinking fund or similar deposit) for the purpose of any of the foregoing, or agree to make, directly or indirectly, make any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of, or interest on any earnouts, or other Indebtedness (other than the Obligations), except:

(a) any regularly scheduled payments of principal or interest required in accordance with the terms of the instruments governing any Indebtedness permitted under Section 8.1 (other than Subordinated Indebtedness or Indebtedness allowed under the definition of Permitted Indebtedness(u));

(b) any refinancing of such Indebtedness to the extent such refinancing Indebtedness is permitted under Section 8.1; and

(c) any payments of regularly scheduled interest in accordance with the terms of the Seller Subordinated Note, Seller Carpet One Subordinated Note or Sponsor Subordinated Note, subject to the terms of the Subordinated Debt Subordination Agreement applicable thereto; *provided*, that no payments of principal shall be made on the Seller Subordinated Note, Seller Carpet One Subordinated Note or Sponsor Subordinated Note shall be made until after the Obligations have been Paid in Full unless the Payments Conditions are satisfied and such payments are otherwise permitted by the Seller Debt Subordination Agreement, and the Seller Debt Carpet One Subordination Agreement;

(d) with respect to any Subordinated Debt (other than the Seller Subordinated Note, Seller Carpet One Subordinated Note or Sponsor Subordinated Note), no payments on such Subordinated Debt shall be made until after the Obligations have been Paid in Full unless the Payments Conditions are satisfied and such payments are otherwise permitted by the Subordinated Debt Subordination Agreement applicable thereto; and

(e) any payments of Indebtedness as set forth in subclause (w) of the definition of Permitted Indebtedness so long as the Interiors One Payment Conditions are satisfied.

**8.12. Negative Pledge.** No Loan Party shall, or shall permit any Subsidiary of a Loan Party to, directly or indirectly, enter into any agreement with any Person that prohibits or restricts or limits the ability of a Loan Party or any such Subsidiary to create, incur, pledge, or suffer to exist any Lien upon any of its respective assets or restricts the ability of any Subsidiary of a Borrower to pay Dividends to such Borrower; provided; that the foregoing prohibitions shall not apply to (i) the Loan Documents, (ii) any agreement existing on the Closing Date and listed on Schedule 8.12 attached hereto and any refinancing or replacement thereof, (iii) any agreement entered into for the transfer of any asset pending the close of the sale of such asset pursuant to an Asset Sale permitted under this Agreement, (iv) customary anti-assignment provisions in leases of real or personal property or (v) any agreement or pursuant to any mortgage or any other agreement in effect at the time any Person becomes a Subsidiary of a Borrower, so long as such agreement or mortgage or other agreement was not entered into in



contemplation of such Person becoming a Subsidiary and to the extent such agreement or mortgage or other agreement is permitted by this Agreement.

**8.13. Excluded Subsidiaries.** No Loan Party shall permit any Excluded Subsidiary to, as of any date (a) own any assets, as of such date, that are greater than \$150,000 or (b) have total revenues for the most recent 12 month period prior to such date in excess of \$50,000; provided further, each Loan Party will not permit the Excluded Subsidiaries in the aggregate to, as of any date (a) own any assets, as of such date, that are greater than \$300,000 or (b) have total revenues for the most recent 12 month period prior to such date in excess of \$300,000.

**8.14. Executive Compensation.** No Loan Party shall permit the amount or rate of salary or other compensation payable or paid to Stephen J. Kellogg or any of his relatives or family members above \$300,000 for Fiscal Year 2024.

## 9. FINANCIAL COVENANTS.

**9.1. Minimum Excess Availability.** Loan Parties shall not permit Excess Availability at any time to be less than the Minimum Excess Availability Amount, unless as of the last day of the most recent month for which the monthly financial statements of Loan Parties and the related Compliance Certificate have been or are required to have been delivered to Agent pursuant to Section 7.15, the Fixed Charge Coverage Ratio for the twelve consecutive calendar month period then ended is greater than 1.10 to 1.00; provided, the Loan Parties shall have the right to cure any Event of Default arising due to this Section 9.1 by causing Sponsor to make a cash contribution to Parent within three (3) Business Days of such occurrence, which such contribution shall be contributed by Holdings to the Borrowers, the amount of which shall be included in the calculations of Excess Availability, and upon receipt by the Loan Parties of the proceeds of such contribution sufficient to meet the Minimum Excess Availability Amount, the requirements of Section 9.1 shall be deemed satisfied, with the same effect as though there had been no failure to comply therewith at such date, and any applicable Event of Default shall be deemed cured and no longer continuing.

**9.2 Net Capital Expenditures.** Loan Parties shall not make any Net Capital Expenditures if, after giving effect to such Net Capital Expenditures, the aggregate cost of all Net Capital Expenditures of the Loan Parties would exceed \$2,000,000 during any Fiscal Year.

## 10. RELEASE, LIMITATION OF LIABILITY AND INDEMNITY.

### 10.1. Reserved.

**10.2. Limitation of Liability.** In no circumstance will Agent and each Lender and any and all Participants and Affiliates, and their respective successors and assigns, and their respective directors, members, managers, officers, employees, attorneys and agents, including without limitation each Agent-Related Person, and any other Person affiliated with or representing Agent or any Lender (collectively, the "*Indemnified Parties*") be liable for lost profits or other special, punitive, or consequential damages. Notwithstanding any provision in this Agreement to the contrary, this Section

10.2 shall remain operative even after the Termination Date and shall survive the Payment in Full of all of the Loans.

### 10.3. Indemnity.

(a) Each Loan Party hereby agrees to indemnify the Indemnified Parties and hold them harmless from and against any and all claims, debts, liabilities, demands, obligations,

actions, causes of action, penalties, costs and expenses (including internal and external attorneys' fees), of every nature, character and description (including any Environmental Liability), which the Indemnified Parties may sustain or incur based upon or arising out of any of the transactions contemplated by this Agreement or any other Loan Documents or any of the Obligations, including any transactions or occurrences relating to the issuance of any Letter of Credit, any Collateral relating thereto, any drafts thereunder and any errors or omissions relating thereto (including any loss or claim due to any action or inaction taken by the issuer of any Letter of Credit or Agent), or any other matter, cause or thing whatsoever occurred, done, omitted or suffered to be done by Agent or any Lender relating to any Loan Party or the Obligations (except any such amounts sustained or incurred solely as the result of the gross negligence or willful misconduct of such Indemnified Parties, as finally determined by a court of competent jurisdiction). Notwithstanding any provision in this Agreement to the contrary, this Section 10.3 shall remain operative even after the Termination Date and shall survive the Payment in Full of all of the Loans.

(b) To the extent that any Loan Party fails to pay any amount required to be paid by it to Agent (or any Indemnified Party of Agent) under paragraph (a) above, each Lender severally agrees to pay to Agent (or such Indemnified Party), such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that any such payment by the Lenders shall not relieve any Loan Party of any default in the payment thereof); *provided*, that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against Agent in its capacity as such.

## 11. EVENTS OF DEFAULT AND REMEDIES.

**11.1. Events of Default.** The occurrence of any of the following events shall constitute an *"Event of Default"*:

(a) **Payment.** If any Loan Party or any Other Obligor fails to pay to Agent, when due, any principal or interest payment or any other monetary Obligation required under this Agreement or any other Loan Document;

(b) **Breaches of Representations and Warranties.** If any warranty, representation, written report or certificate made or delivered to Agent or any Lender by or on behalf of any Loan Party or any Other Obligor is untrue or misleading in any material respect as of the last date made or delivered (except where such warranty or representation is already qualified by Material Adverse Effect, materiality or similar qualifications, in which case such warranty or representation shall be accurate in all respects);

(c) **Breaches of Covenants.**

(i) If any Loan Party or any Other Obligor defaults in the due observance or performance of any covenant, condition or agreement contained in Section 5.2, 6.1, 6.6, 6.7, 7.2, 7.3, 7.7, 7.8, 7.11(c), 7.13, 7.14, 7.15, 7.24, 7.25, 7.27, 7.28, 7.29, 7.30, 7.31, 7.32, 7.33, 8 or 9; or

(ii) If any Loan Party or any Other Obligor defaults in the due observance or performance of any covenant, condition or agreement contained in any provision of this

Agreement or any other Loan Document and not addressed in clauses Sections 11.1(a), (b) or (c)(i), and the continuance of such default unremedied for a period of twenty (20) Business Days;

(d) **Judgment.** If one or more judgments aggregating in excess of \$500,000 is obtained against any Loan Party or any Other Obligor which remains unstayed for more than thirty (30) days or is enforced;

(e) **Cross-Default.** If any default (after the expiration of any applicable grace or cure period) occurs with respect to any Indebtedness (other than the Obligations or the Subordinated Debt) of any Loan Party or any Other Obligor in an aggregate principal amount exceeding \$500,000 and (i) such default shall consist of the failure to pay such Indebtedness when due, whether by acceleration or otherwise or (ii) the effect of such default is to permit the holder, with or without notice or lapse of time or both, to accelerate the maturity of any such Indebtedness or to cause such Indebtedness to become due prior to the stated maturity thereof (without regard to the existence of any subordination or intercreditor agreements);

(f) **Dissolution; Cessation of Business.** The dissolution, termination of existence, insolvency or business failure of any Loan Party or any Other Obligor, or the suspension or cessation of all or any material portion of the business in the ordinary course (for any reason) of any Loan Party or any Other Obligor (or of any general partner of any Loan Party or any Other Obligor if it is a partnership); or the undertaking of a course of action in respect of any of the foregoing, whether or not yet formally approved by any Loan Party's or Other Obligor's management, Board of Directors; or the suspension by a Loan Party or any Other Obligor of payment of all or a material portion of its obligations in the Ordinary Course of Business or the suspension of the performance in the Ordinary Course of Business under any of their Material Contracts);

(g) **Voluntary Bankruptcy or Similar Proceedings.** If any Loan Party or any Other Obligor shall apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, admit in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be adjudicated a bankrupt or insolvent or be the subject of an order for relief under the Bankruptcy Code or under any bankruptcy or insolvency law of a foreign jurisdiction, or file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

(h) **Involuntary Bankruptcy or Similar Proceedings.** The commencement of an involuntary case or other proceeding against any Loan Party or any Other Obligor seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar applicable law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or if an order for relief is entered against any Loan Party or any Other Obligor under any bankruptcy, insolvency or other similar applicable law as now or hereafter in effect; *provided*, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty days after the commencement of such proceedings, though Agent and Lenders shall have no obligation to make Loans during such sixty day period or, if earlier, until such proceedings are dismissed;

(i) **Revocation or Termination of Guaranty or Security Documents.** The actual or attempted revocation or termination of, or limitation or denial of liability under, any

guaranty of any of the Obligations, or any security document securing any of the Obligations, by any Loan Party or Other Obligor;

(j) **Subordinated Debt.**

(i) A Default or Event of Default (as such terms are defined in the Subordinated Debt Documents) with respect to the Subordinated Debt or the occurrence of any condition or event that results in the Subordinated Debt becoming due prior to its scheduled maturity as of the Closing Date or permits any holder or holders of the Subordinated Debt or any trustee or agent on its or their behalf to cause the Subordinated Debt to become due, or require the prepayment, repurchase, redemption of defeasance thereof, prior to its scheduled maturity as of the Closing Date; or

(ii) If any Loan Party or Other Obligor makes any payment on account of the Subordinated Debt or any Indebtedness or obligation which has been contractually subordinated to the Obligations other than payments which are not prohibited by the applicable subordination provisions pertaining thereto, or if Isaac Capital Group LLC attempts to limit or terminate any applicable subordination provisions pertaining to the Sponsor Subordinated Note;

(k) reserved;

(l) **Change of Control.** If a Change of Control occurs;

(m) **Change of Management.** If (i) Stephen Kellog ceases to be employed as, and actively perform the duties of, the chief executive officer of each Loan Party, in each case unless a successor is appointed within one hundred twenty (120) days after the termination of such individual's employment and such successor is reasonably satisfactory to Agent;

(n) **Invalid Liens.** If any Lien purported to be created by any Loan Document shall cease to be a valid perfected first priority Lien (subject only to any priority accorded by law to Permitted Liens) on any material portion of the Collateral, or any Loan Party or any Other Obligor shall assert in writing that any Lien purported to be created by any Loan Document is not a valid lien (subject only to any priority accorded by law to Permitted Liens) on the assets or properties purported to be covered thereby;

(o) **Termination of Loan Documents.** If any of the Loan Documents shall cease to be in full force and effect (other than as a result of the discharge thereof in accordance with the terms thereof or by written agreement of all parties thereto);

(p) **Liquidation Sales.** The determination by any Loan Party to employ an agent or other third party or otherwise engage any Person or solicit proposals for the engagement of any Person (i) in connection with the proposed liquidation of all or a material portion of its assets or store locations, or (ii) to conduct any so-called store closing, store liquidation or "Going-Out-Of-Business" sales with respect to all or a material portion of its store locations.

(q) **Loss of Collateral.** The (i) uninsured loss, theft, damage or destruction of any of the Collateral in an amount in excess of \$500,000 in the aggregate for all such events during any Fiscal Year, or (ii) except as permitted hereby, the sale, lease or furnishing under a contract of service of, any of the Collateral; or



(r) **Plans.** (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party or any Subsidiary under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$250,000, (ii) the existence of any Lien under Section 430(k) or Section 6321 of the Code or Section 303(k) or Section 4068 of ERISA on any assets of a Loan Party, or (iii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of \$250,000.

**11.2. Remedies with Respect to Lending Commitments/Acceleration, Etc.** Upon the occurrence and during the continuation of an Event of Default, Agent may (in its sole discretion), or at the direction of Required Lenders, shall, (a) terminate all or any portion of the Commitment to lend to or extend credit to Borrowers under this Agreement and/or any other Loan Document, without prior notice to any Loan Party and/or (b) demand Payment in Full of all or any portion of the Obligations (whether or not payable on demand prior to such Event of Default), together with the Early Termination Fee in the amount specified in Section 3.2(e) and/or (c) take any and all other and further actions and avail itself of any and all rights and remedies available to Agent under this Agreement, any other Loan Document, under law or in equity. Notwithstanding the foregoing sentence, upon the occurrence of any Event of Default described in Section 11.1(g) or Section 11.1(h), without notice, demand or other action by Agent all of the Obligations (including the Early Termination Fee in the amount specified in Section 3.2(e)) shall immediately become due and payable whether or not payable on demand prior to such Event of Default.

**11.3. Remedies with Respect to Collateral.** Without limiting any rights or remedies Agent or any Lender may have pursuant to this Agreement, the other Loan Documents, under applicable law or otherwise, upon the occurrence and during the continuation of an Event of Default:

(a) **Any and All Remedies.** Agent may take any and all actions and avail itself of any and all rights and remedies available to Agent under this Agreement, any other Loan Document, under law or in equity, and the rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law or otherwise.

(b) **Collections; Modifications of Terms.** Agent may, but shall be under no obligation to: (i) notify all appropriate parties that the Collateral, or any part thereof, has been assigned to, or is subject to a security interest in favor of, Agent; (ii) demand, sue for, collect and give receipts for and take all necessary or desirable steps to collect any Collateral or Proceeds in its or any Loan Party's name, and apply any such collections against the Obligations as Agent may elect; (iii) take control of any Collateral and any cash and non-cash Proceeds of any Collateral; (iv) enforce, compromise, extend, renew settle or discharge any rights or benefits of each Loan Party with respect to or in and to any Collateral, or deal with the Collateral as Agent may deem advisable; and (v) make any compromises, exchanges, substitutions or surrenders of Collateral Agent deems necessary or proper in its reasonable discretion, including extending the time of payment, permitting payment in installments, or otherwise modifying the terms or rights relating to any of the Collateral, all of which may be effected without notice to, consent of, or any other action of any Loan Party and without otherwise discharging or affecting the Obligations,

the Collateral or the security interests granted to Agent under this Agreement or any other Loan Document.

(c) **Insurance.** Agent may file proofs of loss and claim with respect to any of the Collateral with the appropriate insurer, and may endorse in its own and each Loan Party's name any checks or drafts constituting proceeds of insurance. Any proceeds of insurance received by Agent may be applied by Agent against payment of all or any portion of the Obligations as Agent may elect in its reasonable discretion.

(d) **Possession and Assembly of Collateral.** Agent may take possession of the Collateral and/or, without removal, render each Loan Party's Equipment unusable. Upon Agent's request, each Loan Party shall assemble the Collateral and make it available to Agent at one or more places designated by Agent.

(e) **Set-off.** Agent may and, without any notice to, consent of or any other action by any Loan Party (such notice, consent or other action being expressly waived), set-off or apply (i) any and all deposits (general or special, time or demand, provisional or final) at any time held by or for the account of Agent or any Affiliate of Agent and (ii) any Indebtedness at any time owing by Agent or any Affiliate of Agent or any Participant in the Loans to or for the credit or the account of any Loan Party to the repayment of the Obligations, irrespective of whether any demand for payment of the Obligations has been made.

(f) **Disposition of Collateral.**

(i) **Sale, Lease, etc. of Collateral.** Agent may, without demand, advertising or notice, all of which each Loan Party hereby waives (except as the same may be required by the UCC or other applicable law and is not waivable under the UCC or such other applicable law), at any time or times in one or more public or private sales or other dispositions, for cash, on credit or otherwise, at such prices and upon such terms as determined by Agent (provided such price and terms are commercially reasonable within the meaning of the UCC to the extent such sale or other disposition is subject to the UCC requirements that such sale or other disposition must be commercially reasonable), (A) sell, lease, license or otherwise dispose of any and all Collateral and/or (B) deliver and grant options to a third party to purchase, lease, license or otherwise dispose of any and all Collateral. Agent may sell, lease, license or otherwise dispose of any Collateral in its then-present condition or following any preparation or processing deemed necessary by Agent in its reasonable discretion. Agent and any agent or contractor, in conjunction with any such sale, may augment the Inventory with other goods (all of which other goods shall remain the sole property of Agent or such agent or contractor), and any amounts realized from the sale of such goods which constitute augmentations to the Inventory (net of an allocable share of the costs and expenses incurred in their disposition) shall be the sole property of Agent or such agent or contractor and neither any Loan Party nor any Person claiming under or in right of any Loan Party shall have any interest therein. Agent may be the purchaser at any such public or private sale or other disposition of Collateral, and in such case Agent may make payment of all or any portion of the purchase price therefor by the application of all or any portion of the Obligations to the purchase price payable in connection with such sale or disposition. Agent may, if it deems it reasonable, postpone or adjourn any sale or other disposition of any Collateral from time to time by an announcement at the time and place of the sale or disposition to be so postponed or adjourned without being required to give a new notice of sale or disposition; *provided*, that Agent shall provide the applicable Loan Party with written notice of the time and place of such postponed or adjourned sale or disposition. Each Loan Party hereby acknowledges

and agrees that Agent's compliance with any requirements of applicable law in connection with a sale, lease, license or other disposition of Collateral will not be

considered to adversely affect the commercial reasonableness of any sale, lease, license or other disposition of such Collateral.

(ii) **Deficiency.** Each Loan Party shall remain liable for all amounts of the Obligations remaining unpaid as a result of any deficiency of the Proceeds of the sale, lease, license or other disposition of Collateral after such Proceeds are applied to the Obligations as provided in this Agreement.

(iii) **Warranties; Sales on Credit.** Agent may sell, lease, license or otherwise dispose of the Collateral without giving any warranties and may specifically disclaim any and all warranties, including but not limited to warranties of title, possession, merchantability and fitness. Each Loan Party hereby acknowledges and agrees that Agent's disclaimer of any and all warranties in connection with a sale, lease, license or other disposition of Collateral will not be considered to adversely affect the commercial reasonableness of any such disposition of the Collateral. If Agent sells, leases, licenses or otherwise disposes of any of the Collateral on credit, Loan Parties will be credited only with payments actually made in cash by the recipient of such Collateral and received by Agent and applied to the Obligations. If any Person fails to pay for Collateral acquired pursuant this Section 11.3(f) on credit, Agent may re-offer the Collateral for sale, lease, license or other disposition.

(g) **Investment Property; Voting and Other Rights; Irrevocable Proxy.**

(i) All rights of each Loan Party to exercise any of the voting and other consensual rights which it would otherwise be entitled to exercise in accordance with the terms hereof with respect to any Investment Property, and to receive any dividends, payments, and other distributions which it would otherwise be authorized to receive and retain in accordance with the terms hereof with respect to any Investment Property, shall immediately (or with respect to the rights set forth in clauses (A), (B) and (C) below, as permitted by Section 6.4(c)), at the election of Agent (without requiring any notice) cease, and all such rights shall thereupon become vested solely in Agent, and Agent (personally or through an agent) shall thereupon be solely authorized and empowered, without notice, to (A) transfer and register in its name, or in the name of its nominee, the whole or any part of the Investment Property, it being acknowledged by each Loan Party that any such transfer and registration may be effected by Agent through its irrevocable appointment as attorney-in-fact pursuant to Section 11.3(g)(ii) and Section 6.4, (B) exchange certificates or instruments representing or evidencing Investment Property for certificates or instruments of smaller or larger denominations, (C) exercise the voting and all other rights as a holder with respect to all or any portion of the Investment Property (including all economic rights, all control rights, authority and powers, and all status rights of each Loan Party as a member or as a shareholder (as applicable) of the Issuer), (D) collect and receive all dividends and other payments and distributions made thereon, (E) notify the parties obligated on any Investment Property to make payment to Agent of any amounts due or to become due thereunder, (F) endorse instruments in the name of each Loan Party to allow collection of any Investment Property, (G) enforce collection of any of the Investment Property by suit or otherwise, and surrender, release, or exchange all or any part thereof, or compromise or renew for any period (whether or not longer than the original period) any liabilities of any nature of any Person with respect thereto, (H) consummate any sales of Investment Property or exercise any other rights as set forth in Section 11.3(f), (I) otherwise act with respect to the Investment Property as though Agent was the outright owner thereof and (J) exercise any other rights or remedies Agent may have under the UCC, other applicable law or otherwise. In addition, in

connection with any exercise of rights and remedies in accordance with this Agreement, Agent shall have a right to use each Loan Party Obligor's Intellectual Property (which right with respect

to such Intellectual Property shall be a royalty free, rent free non-exclusive license and lease to use all such Intellectual Property) in order to collect, handle, deal with or dispose of any Collateral pursuant to the rights of Agent set forth this Agreement and the other Loan Documents, the UCC and other applicable law.

(ii) EACH LOAN PARTY HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS AGENT AS ITS PROXY AND ATTORNEY-IN-FACT FOR SUCH LOAN PARTY WITH RESPECT TO ALL OF EACH SUCH LOAN PARTY'S INVESTMENT PROPERTY WITH THE RIGHT, SOLELY DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, WITHOUT NOTICE, TO TAKE ANY OF THE FOLLOWING ACTIONS: (A) TRANSFER AND REGISTER IN AGENT'S NAME, OR IN THE NAME OF ITS NOMINEE, THE WHOLE OR ANY PART OF THE INVESTMENT PROPERTY, (B) VOTE THE PLEDGED EQUITY, WITH FULL POWER OF SUBSTITUTION TO DO SO, (C) RECEIVE AND COLLECT ANY DIVIDEND OR ANY OTHER PAYMENT OR DISTRIBUTION IN RESPECT OF, OR IN EXCHANGE FOR, THE INVESTMENT PROPERTY OR ANY PORTION THEREOF, TO GIVE FULL DISCHARGE FOR THE SAME AND TO INDORSE ANY INSTRUMENT MADE PAYABLE TO ANY LOAN PARTY FOR THE SAME, (D) EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES, AND REMEDIES (INCLUDING ALL ECONOMIC RIGHTS, ALL RIGHTS, AUTHORITY AND POWERS, AND ALL STATUS RIGHTS OF EACH LOAN PARTY AS A MEMBER OR AS A SHAREHOLDER (AS APPLICABLE) OF THE ISSUER) TO WHICH A HOLDER OF THE PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING, WITH RESPECT TO THE PLEDGED EQUITY, GIVING OR WITHHOLDING WRITTEN CONSENTS OF MEMBERS OR SHAREHOLDERS, CALLING SPECIAL MEETINGS OF MEMBERS OR SHAREHOLDERS, AND VOTING AT SUCH MEETINGS), AND (E) TAKE ANY ACTION AND TO EXECUTE ANY INSTRUMENT WHICH AGENT MAY DEEM NECESSARY OR ADVISABLE TO ACCOMPLISH THE PURPOSES OF THIS AGREEMENT. THE APPOINTMENT OF AGENT AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE VALID AND IRREVOCABLE UNTIL (x) ALL OF THE OBLIGATIONS HAVE BEEN PAID IN FULL IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (y) AGENT AND THE LENDERS HAVE NO FURTHER OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, AND (z) THE COMMITMENTS UNDER THIS AGREEMENT HAVE EXPIRED OR HAVE BEEN TERMINATED (IT BEING UNDERSTOOD AND AGREED THAT SUCH OBLIGATIONS WILL BE AUTOMATICALLY REINSTATED IF AT ANY TIME PAYMENT, IN WHOLE OR IN PART, OF ANY OF THE OBLIGATIONS IS RESCINDED OR MUST OTHERWISE BE RESTORED OR RETURNED BY AGENT OR ANY LENDER FOR ANY REASON WHATSOEVER, INCLUDING AS A PREFERENCE, FRAUDULENT CONVEYANCE, OR OTHERWISE UNDER ANY BANKRUPTCY, INSOLVENCY, OR SIMILAR LAW, ALL AS THOUGH SUCH PAYMENT HAD NOT BEEN MADE; IT BEING FURTHER UNDERSTOOD THAT IN THE EVENT PAYMENT OF ALL OR ANY PART OF THE OBLIGATIONS IS RESCINDED OR MUST BE RESTORED OR RETURNED, ALL REASONABLE AND DOCUMENTED OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING ALL REASONABLE INTERNAL AND EXTERNAL ATTORNEYS' FEES AND DISBURSEMENTS) INCURRED BY AGENT AND THE LENDERS IN DEFENDING AND ENFORCING SUCH REINSTATEMENT SHALL HEREBY BE DEEMED TO BE INCLUDED AS A PART OF THE OBLIGATIONS). SUCH APPOINTMENT OF AGENT AS PROXY AND AS ATTORNEY-IN-FACT SHALL BE VALID AND IRREVOCABLE AS PROVIDED HEREIN NOTWITHSTANDING ANY

LIMITATIONS TO THE CONTRARY SET FORTH IN ANY GOVERNING DOCUMENTS OF ANY LOAN PARTY, ANY ISSUER, OR OTHERWISE.

(iii) In order to further effect the foregoing transfer of rights in favor of Agent and subject to and as permitted by Section 6.4(c), during the continuance of an Event of Default, each Loan Party hereby authorizes and instructs each Issuer of Investment Property pledged by such Loan Party to comply with any instruction received by such Issuer from Agent without any other or further instruction from such Loan Party, and each Loan Party acknowledges and agrees that each Issuer shall be fully protected in so complying, and to pay any dividends, distributions, or other payments with respect to any of the Investment Property directly to Agent.

(iv) Upon exercise of the proxy set forth herein following expiration of applicable notice periods, including without limitation, as required by Section 6.4(c), all prior proxies given by any Loan Party with respect to any of the Pledged Equity or other Investment Property, other than to Agent, are hereby revoked, and no subsequent proxies, other than to Agent will be given with respect to any of the Pledged Equity or any of the other Investment Property unless Agent otherwise subsequently agrees in writing. Agent, as proxy, will be empowered and may exercise the irrevocable proxy to vote the Pledged Equity and the other Investment Property at any and all times during the existence of an Event of Default, including, at any meeting of shareholders or members, as the case may be, however called, and at any adjournment thereof, or in any action by written consent, and may waive any notice otherwise required in connection therewith; provided, that following the cure or waiver of such Event of Default all powers and other rights conferred by such proxies shall be automatically and without further action, canceled and all such transferred rights shall be returned to the applicable Loan Party. To the fullest extent permitted by applicable law, Agent shall have no agency, fiduciary or other implied duties to any Loan Party, any Issuer, any Loan Party or any other Person when acting in its capacity as such proxy or attorney-in-fact. Each Loan Party hereby waives and releases any claims that it may otherwise have against Agent with respect to any breach, or alleged breach, of any such agency, fiduciary or other duty.

(v) Any transfer to Agent or its nominee, or registration in the name of Agent or its nominee, of the whole or any part of the Investment Property shall be made solely for purposes of effectuating voting or other consensual rights with respect to the Investment Property in accordance with the terms of this Agreement and is not intended to effectuate any transfer of ownership of any of the Investment Property. Notwithstanding the delivery by Agent of any instruction to any Issuer or any exercise by Agent of an irrevocable proxy or otherwise, Agent shall not be deemed the owner of, or assume any obligations or any liabilities whatsoever of the owner or holder of, any Investment Property unless and until Agent expressly accepts such obligations in a duly authorized and executed writing and agrees in writing to become bound by the applicable Governing Documents or otherwise becomes the owner thereof under applicable law (including through a sale as described in Section 11.3(f)). The execution and delivery of this Agreement shall not subject Agent to, or transfer or pass to Agent, or in any way affect or modify, the liability of any Loan Party under the Governing Documents of any Issuer or any related agreements, documents, or instruments or otherwise. In no event shall the execution and delivery of this Agreement by Agent, or the exercise by Agent of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation whatsoever of any Loan Party to, under, or in connection with any of the Governing Documents of any Issuer or any related agreements, documents, or instruments or otherwise.

(vi) Compliance with the Securities Act as now in effect or as hereafter amended, or any similar statute hereafter adopted with similar purpose or effect, as well as any

applicable "Blue Sky" or other state securities laws, if applicable to the Collateral or the portion thereof being sold, may require strict limitations as to the manner in which Agent or any subsequent transferee may dispose of the Collateral. With respect to any disposition as to which the Securities Act or analogous state securities laws is applicable, each Loan Party hereby waives any objection to sale in a compliant manner, and agrees that Agent has no obligation to obtain the maximum possible price for the Collateral so long as Agent proceeds in a commercially reasonable manner. Without limiting the generality of the foregoing, each Loan Party agrees that in conducting a disposition of the Collateral as to which the Securities Act or analogous state securities laws applies, Agent may seek to sell the Collateral by private placement, and may restrict bidders and prospective purchasers to those who are willing to represent that they are purchasing for investment only and not for distribution and who otherwise satisfy qualifications designed to ensure compliance with the Securities Act and analogous state securities laws and those that may be established in the Issuer's Governing Documents. Each Loan Party acknowledges that in order to protect Agent's interest, it may be necessary to sell the Collateral at a price less than the maximum price attainable if a sale were delayed or were made in another manner, including, a public offering under the Securities Act. In order to address these potential compliance requirements, Agent may solicit offers to purchase the Collateral from a limited number of bidders reasonably believed by Agent to be institutional investors or accredited investors. If Agent solicits offers in a commercially reasonable manner, then acceptance by Agent of one or more of the offers shall be deemed to be a commercially reasonable method of disposition of the Collateral and Agent will not be responsible or liable for selling all or any portion of the Collateral at a price that Agent deems in good faith to be reasonable. Agent is under no obligation to delay a disposition of any portion of the Collateral that are securities under the Securities Act or applicable "Blue Sky" or other state securities law for the period of time necessary to permit any Loan Party or the Issuer to register the securities for public sale under the Securities Act or under applicable "Blue Sky" or other state securities laws, even if a Loan Party or the Issuer agrees to do so. In addition, to the extent not prohibited by applicable law, each Loan Party waives any right to prior notice (except to the extent expressly provided in this Agreement) or judicial hearing in connection with the taking possession or the disposition of any of the Collateral, including any right which Loan Party otherwise would have.

(vii) To the extent permitted under applicable law, Agent is not required to conduct any foreclosure sale of the Investment Property or any portion thereof.

(viii) Agent, at its option, may obtain the appointment of a receiver to take possession of the Investment Property and, at the option of Agent, a receiver may be empowered (A) to collect, receive and enforce all distributions, (B) to exercise the rights of Agent as provided in this Agreement, (C) to collect all other amounts owed to any Loan Party in respect of the Investment Property as and when due to any Loan Party, (D) to otherwise collect, sell or dispose of the Investment Property, (E) to exercise all rights in and under the Investment Property; and (F) to turn over all net proceeds to Agent. Each Loan Party irrevocably and unconditionally agrees that a receiver may be appointed by a court to take the actions listed above without regard to the adequacy of the security for the Obligations, and the actions of the receiver may be taken in the name of the receiver, any Loan Party or Agent.

(ix) Agent may elect to conduct a sale of an economic interest in any Investment Property constituting limited liability company interests that does not result in the purchaser being admitted as a substitute limited liability company member in the Issuer, notwithstanding the possibility that a substantially higher price might be realized if the purchaser



were able to be admitted as a substitute limited liability company member rather than the holder of only an economic interest in the Issuer.

(x) Agent may disclose to prospective purchasers all of the information relating to the Investment Property (and the applicable Issuer) that is in Agent's possession or otherwise available to Agent; provided, that such prospective purchasers shall have agreed to be bound by the provisions of Section 15.17.

(xi) Each Loan Party hereby authorizes and instructs their respective Issuer to comply with any instruction received by it from Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of the provisions of this Agreement as to Investment Property, without any other or further instructions from the respective Loan Party, and such Loan Party agrees that Issuer be fully protected in so complying.

(h) **Election of Remedies.** Agent shall have the right in Agent's sole discretion to determine which rights, security, Liens or remedies Agent may at any time pursue, foreclose upon, relinquish, subordinate, modify or take any other action with respect to, without in any way impairing, modifying or affecting any of Agent's other rights, security, Liens or remedies with respect to any Collateral or any of Agent's rights or remedies under this Agreement or any other Loan Document.

(i) **Agent's Obligations.** Each Loan Party agrees that Agent shall not have any obligation to preserve rights to any Collateral against prior parties or to marshal any Collateral of any kind for the benefit of any other creditor of any Loan Party or any other Person. Agent shall not be responsible to any Loan Party or any other Person for loss or damage resulting from Agent's failure to enforce its Liens or collect any Collateral or proceeds or any monies due or to become due under the Obligations or any other liability or obligation of any Loan Party to Agent.

(j) **Waiver of Rights by Loan Parties.** Except as otherwise expressly provided for in this Agreement or by non-waivable applicable law, each Loan Party waives (i) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which any Loan Party may in any way be liable, and hereby ratifies and confirms whatever Agent may do in this regard, (ii) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security which might be required by any court prior to allowing Agent to exercise any of its remedies and (iii) the benefit of all valuation, appraisal, marshaling and exemption laws. If any notice of a proposed sale or other disposition of any part of the Collateral is required under applicable law, each Loan Party agrees that ten (10) calendar days prior notice of the time and place of any public sale and of the time after which any private sale or other disposition is to be made is commercially reasonable.

## 12. LOAN GUARANTY.

**12.1. Guaranty.** Each Loan Party hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally guaranties to Agent, for the ratable benefit of the Lenders, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter,

all of the Obligations and all costs and expenses, including all court costs and reasonable attorneys' and paralegals' fees (including internal and external counsel and paralegals) and expenses of Agent or any Lender in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, any Borrower, any Loan Party or any Other Obligor of all or any part of the Obligations (and such costs and expenses paid or incurred shall be deemed to be included in the Obligations). Each Loan Party further agrees that the Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guaranty notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any branch or Affiliate of Agent that extended any portion of the Obligations.

**12.2. Guaranty of Payment.** This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Party waives any right to require Agent to sue or otherwise take action against any Borrower, any other Loan Party, any Other Obligor, or any other Person obligated for all or any part of the Obligations, or otherwise to enforce its payment against any Collateral securing all or any part of the Obligations.

**12.3. No Discharge or Diminishment of Loan Guaranty.**

(a) Except as otherwise expressly provided for herein, the obligations of each Loan Party hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the Payment in Full of all of the Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Obligations, by operation of law or otherwise;

(ii) any change in the corporate existence, structure or ownership of any Borrower or any Guarantor; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Borrower or any Guarantor or their respective assets or any resulting release or discharge of any obligation of any Borrower or any Guarantor; or (iv) the existence of any claim, setoff or other rights which any Loan Party may have at any time against any Borrower, any Guarantor, Agent, Lenders or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Party hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Borrower or any Guarantor of the Obligations or any part thereof.

(c) Further, the obligations of any Loan Party hereunder shall not be discharged or impaired or otherwise affected by: (i) the failure of Agent to assert any claim or demand or to enforce any remedy with respect to all or any part of the Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Obligations; (iii) any release, non-perfection or invalidity of any indirect or direct security for all or any part of the Obligations or all or any part of any obligations of any Guarantor; (iv) any action or failure to act by Agent with respect to any Collateral; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Party or that would otherwise operate as a discharge of any Loan Party as a matter of law or equity (other than the Payment in Full of all of the Obligations).

**12.4. Defenses Waived.** To the fullest extent permitted by applicable law, each Loan Party hereby waives any defense based on or arising out of any defense of any Loan Party or the

unenforceability of all or any part of the Obligations from any cause, or the cessation from any cause of the liability of any Loan Party, other than the Payment in Full of all of the Obligations. Without limiting the generality of the foregoing, each Loan Party irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by applicable law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Borrower, any Guarantor, or any other Person. Each Loan Party confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any Collateral, compromise or adjust any part of the Obligations, make any other accommodation with any Borrower or any Guarantor or exercise any other right or remedy available to it against any Borrower or any Guarantor, without affecting or impairing in any way the liability of any Loan Party under this Loan Guaranty except to the extent the Obligations have been fully Paid in Full. To the fullest extent permitted by applicable law, each Loan Party waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Party against any Borrower or any Guarantor or any security.

**12.5. Rights of Subrogation.** No Loan Party will assert any right, claim or cause of action, including a claim of subrogation, contribution or indemnification that it has against any Borrower or any Guarantor, or any Collateral, until the Termination Date.

**12.6. Reinstatement; Stay of Acceleration.** If at any time any payment of any portion of the Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of any Loan Parties or any other Person, or otherwise, each Loan Party's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not Agent is in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Loan Parties, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Obligations shall nonetheless be payable by the Loan Parties forthwith on demand by Agent. This Section 12.6 shall remain operative even after the Termination Date and shall survive the Payment in Full of all of the Loans.

**12.7. Information.** Each Loan Party assumes all responsibility for being and keeping itself informed of each Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that each Loan Party assumes and incurs under this Loan Guaranty, and agrees that Agent shall not have any duty to advise any Loan Party of information known to it regarding those circumstances or risks.

**12.8. Termination.** To the maximum extent permitted by applicable law, each Loan Party hereby waives any right to revoke this Loan Guaranty as to future Obligations. If such a revocation is effective notwithstanding the foregoing waiver, each Loan Party acknowledges and agrees that (a) no such revocation shall be effective until written notice thereof has been received by Agent, (b) no such revocation shall apply to any Obligations in existence on the date of receipt by Agent of such written notice (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms or other terms and conditions thereof made in accordance with the terms thereof), (c) no such revocation shall apply to any Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of Agent, (d) no payment by any Borrower, any other Loan Party, or from any other source, prior to the date of Agent's receipt of written notice of such revocation shall reduce the maximum obligation of any Loan Party hereunder and (e) any payment, by

any Borrower or from any source other than a Loan Party which has made such a revocation, made subsequent to the date of such revocation, shall first be applied to that portion of the Obligations as to

which the revocation is effective and which are not, therefore, guaranteed hereunder, and to the extent so applied shall not reduce the maximum obligation of any Loan Party hereunder.

**12.9. Maximum Liability.** The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Party under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Loan Party's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Parties, Agent or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Party's "**Maximum Liability**"). This Section 12.9 with respect to the Maximum Liability of each Loan Party is intended solely to preserve the rights of Agent and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Loan Party or any other Person shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Loan Party hereunder shall not be rendered voidable under applicable law. Each Loan Party agrees that the Obligations may at any time and from time to time exceed the Maximum Liability of each Loan Party without impairing this Loan Guaranty or affecting the rights and remedies of Agent hereunder; *provided*, that nothing in this sentence shall be construed to increase any Loan Party's obligations hereunder beyond its Maximum Liability.

**12.10. Contribution.** In the event any Guarantor shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any Collateral granted by it to secure its obligations under this Loan Guaranty (such Loan Party a "**Paying Guarantor**"), each other Loan Party (each a "**Non-Paying Guarantor**") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "**Relevant Percentage**" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Section 12.10, each Non-Paying Guarantor's "**Relevant Percentage**" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (x) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from any Borrower after the date hereof (whether by loan, capital infusion or by other means) to (y) the aggregate Maximum Liability of all Loan Parties hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Loan Party, the aggregate amount of all monies received by such Loan Parties from any Borrower after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Party's several liability for the entire amount of the Obligations (up to such Loan Party's Maximum Liability). Each of the Loan Parties covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the Payment in Full of all of the Obligations. This provision is for the benefit of Agent and the Lenders and the Loan Parties and may be enforced by any one, or more, or all of them, in accordance with the terms hereof.

**12.11. Liability Cumulative.** The liability of each Loan Party under this Section 12 is in addition to and shall be cumulative with all liabilities of each Loan Party to Agent and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any



obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

**13. PAYMENTS FREE OF TAXES; OBLIGATION TO WITHHOLD; PAYMENTS ON ACCOUNT OF TAXES .**

(a) Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable laws require the Loan Parties to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such laws as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(b) If any Loan Party shall be required by applicable law to withhold or deduct any Taxes from any payment, then (i) such Loan Party shall withhold or make such deductions as are required based upon the information and documentation it has received pursuant to subsection (e) below, (ii) such Loan Party shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable law and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Loan Parties shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made. Upon request by Agent or other Recipient, Borrower Representative shall deliver to Agent or such other Recipient, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment of Indemnified Taxes, a copy of any return required by applicable law to report such payment or other evidence of such payment reasonably satisfactory to Agent or such other Recipient, as the case may be.

(c) Without limiting the provisions of subsections (a) and (b) above, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(d) Without limiting the provisions of subsections (a) through (c) above, each Loan Party shall, and does hereby, on a joint and several basis, indemnify Agent, each Lender and each other Recipient (and their respective directors, officers, employees, affiliates and agents) and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or incurred by Agent, any Lender or any other Recipient on account of, or in connection with any Loan Document or a breach by a Loan Party thereof, and any penalties, interest and related expenses and losses arising therefrom or with respect thereto (including the fees, charges and disbursements of any internal or external counsel or other tax advisor for Agent, any Lender or any other Recipient (or their respective directors, officers, employees, affiliates, and agents)), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to Borrower Representative shall be conclusive absent manifest error. Notwithstanding any provision in this Agreement to the contrary, this Section 13 shall

remain operative even after the Termination Date and shall survive the Payment in Full of all of the Loans.

(e) Each Lender shall deliver to Borrower Representative and each Lender and each Participant shall deliver to Agent, at the time or times prescribed by applicable laws, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit Borrower Representative or Agent, as the case may be, to determine (x) whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (y) if applicable, the required rate of withholding or deduction and (z) such Lender's or Participant's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Recipient by the Loan Parties pursuant to this Agreement or otherwise to establish such Recipient's status for withholding tax purposes in the applicable jurisdiction; *provided*, that each Recipient shall only be required to deliver such documentation as it may legally provide. Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States:

(i) each Lender (or Participant) that is a "*United States person*" within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrower Representative and Agent (or any Lender granting a participation as applicable) an executed original of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable law or reasonably requested by Borrower Representative or Agent (or Lender granting a participation) as will enable Borrower Representative or Agent (or Lender granting a participation) as the case may be, to determine whether or not such Lender (or Participant) is subject to backup withholding or information reporting requirements under the Code;

(ii) each Lender (or Participant) that is not a "*United States person*" within the meaning of Section 7701(a)(30) of the Code (a "*Non-U.S. Recipient*") shall deliver to Borrower Representative and Agent (or any Lender granting a participation in case the Non-U.S. Recipient is a Participant) on or prior to the date on which such Non-U.S. Person becomes a party to this Agreement or a Participant (and from time to time thereafter upon the reasonable request of Borrower Representative or Agent but only if such Non-U.S. Recipient is legally entitled to do so), whichever of the following is applicable: (A) executed originals of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party; (B) executed originals of Internal Revenue Service Form W-8ECI; (C) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation; (D) each Non-U.S. Recipient claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, shall provide (x) a certificate to the effect that such Non-U.S. Recipient is not (1) a "*bank*" within the meaning of section 881(c)(3)(A) of the Code, (2) a "*10 percent shareholder*" of Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (3) a "*controlled foreign corporation*" described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN; and/or (E) executed originals of any other form prescribed by applicable law (including FATCA) as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable law to permit Borrower Representative or Agent to determine the withholding or deduction required to be made. Each Non-U.S. Recipient shall promptly notify Borrower Representative and Agent (or any Lender granting a participation if the Non-U.S. Recipient is a Participant) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

#### 14. AGENT

**14.1. Appointment.** Each of the Lenders hereby irrevocably appoints Agent as its agent and authorizes Agent to take such actions on its behalf, including execution of the other Loan Documents, and

to exercise such powers as are delegated to Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, Agent shall have the sole and exclusive authority to (a) act as the disbursing and collecting agent for Lenders with respect to all payments and collections arising in connection with the Loan Documents; (b) execute and deliver as Agent, each Loan Document, including any intercreditor or subordination agreement, and accept delivery of each Loan Document; (c) make Loans, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) act as collateral agent for Lenders for purposes of perfecting and administering Liens under the Loan Documents, and for all other purposes stated therein and execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents; (e) manage, supervise or otherwise deal with Collateral; (f) exclusively receive, apply, and distribute payments and proceeds of the Collateral as provided in the Loan Documents, (g) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents, (h) take any Enforcement Action or otherwise exercise any rights or remedies with respect to any Collateral or under any Loan Documents, applicable law or otherwise, including the determination of eligibility of Accounts and Inventory, the necessity and amount of Reserves and all other determinations and decisions relating to ordinary course administration of the credit facilities contemplated hereunder; and (i) incur and pay such expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents, whether or not any Loan Party is obligated to reimburse Agent or Lenders for such expenses pursuant to the Loan Documents or otherwise. The provisions of this Article 14 are solely for the benefit of Agent and the Lenders, and the Loan Parties shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

**14.2. Rights as a Lender.** The Person serving as Agent hereunder, if it is a Lender, shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any Subsidiary or any Affiliate thereof as if it were not Agent hereunder without notice to or consent of the other Lenders.

**14.3. Duties and Obligations.** Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that Agent is required to exercise as directed in writing by the Required Lenders, and, (c) except as expressly set forth in the Loan Documents, Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any Subsidiary that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity. Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice thereof is given to Agent by a Loan Party or a Lender, and Agent shall not be responsible for or have any duty to

ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in

connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to Agent. Agent shall be under no obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of any Loan Party.

**14.4. Reliance.** Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Agent may consult with and employ Agent Professionals, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by an Agent Professional (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document, unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

**14.5. Actions through Sub-Agents.** Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by Agent. Agent may also perform its duties through employees and other Agent-Related Persons. Agent shall not be responsible for the negligence or misconduct of any sub-agent, employee or Agent Professional that it selects as long as such selection was made without gross negligence or willful misconduct. Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Affiliates and other related parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the related parties of Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

**14.6. Resignation.** Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, Agent may resign at any time by notifying the Lenders and Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with Borrower Representative, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent. Upon the acceptance of its appointment as Agent hereunder by its successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by Borrowers to a successor Agent shall be the same as those payable to its

predecessor, unless otherwise agreed by Borrower Representative and such successor. Notwithstanding the foregoing, in the event no successor Agent shall have been so appointed

and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its intent to resign, the retiring Agent may give notice of the effectiveness of its resignation to the Lenders and Borrower Representative, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, *provided* that, solely for purposes of maintaining any security interest granted to Agent under any Loan Document for the benefit of the Lenders, the retiring Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Lenders and, in the case of any Collateral in the possession of Agent, shall continue to hold such Collateral, in each case until such time as a successor Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Agent shall have no duty or obligation to take any further action under any Loan Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, *provided*, that (i) all payments required to be made hereunder or under any other Loan Document to Agent for the account of any Person other than Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to Agent shall also directly be given or made to each Lender. Following the effectiveness of Agent's resignation from its capacity as such, the provisions of this Article 14, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective related parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent and in respect of the matters referred to in the proviso under clause (a) above.

#### **14.7. Non-Reliance.**

(a) Each Lender acknowledges and agrees that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Loan Parties and their respective Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender further acknowledges the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon any Agent-Related Person, any arranger of this credit facility or any amendment thereto or any other Lender and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document, and all applicable laws relating to the transactions contemplated hereby, and made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon any Agent-Related Person, any arranger of this credit facility or any amendment thereto or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning any Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own credit analysis and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document and in deciding whether or to the extent

to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder. Except for notices, reports, and other documents expressly herein required

to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing to provide such Lender with any credit or other information with respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

(b) Each Lender hereby agrees that (i) it has requested a copy of each appraisal, audit or field examination report prepared by or on behalf of Agent; (ii) Agent (A) makes no representation or warranty, express or implied, as to the completeness or accuracy of any such report or any of the information contained therein or any inaccuracy or omission contained in or relating to any such report and (B) shall not be liable for any information contained in any such report; (iii) such reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that Agent undertakes no obligation to update, correct or supplement such reports; (iv) it will keep all such reports confidential and strictly for its internal use, not share any such report with any Loan Party or any other Person except as otherwise permitted pursuant to this Agreement; and (v) without limiting the generality of any other indemnification provision contained in this Agreement, (A) it will hold Agent and any such other Person preparing any such report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any such report in connection with any extension of credit that the indemnifying Lender has made or may make to any Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (B) it will pay and protect, and indemnify, defend, and hold Agent and any such other Person preparing any such report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorneys' fees of both internal and external counsel) of Agent or any such other Person as the direct or indirect result of any third parties who might obtain all or part of any such report through the indemnifying Lender.

**14.8. Not Partners or Co-Venturers; Agent as Representative of the Secured Parties .**

(a) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in the case of Agent) authorized to act for, any other Lender. Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

(b) In its capacity, Agent is a "representative" of the Lenders within the meaning of the term "secured party" as defined in the UCC. Each Lender authorizes Agent to enter into each of the Loan Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Lender (other than Agent) shall have the right individually to seek to realize upon the security granted by any Loan Document, it being understood and agreed that such rights and remedies may be exercised solely by Agent for the

benefit of the Lenders upon the terms of the Loan Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Obligations, Agent is hereby

authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Lenders any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of Agent on behalf of the Lenders.

(c) Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the UCC can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions. Agent shall have no obligation whatsoever to any of the Lenders (i) to verify or assure that the Collateral exists or is owned by any Borrower or its Subsidiaries or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to verify or assure that any particular items of Collateral meet the eligibility criteria applicable in respect thereof, (iv) to impose, maintain, increase, reduce, implement or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (v) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein,

**14.9. Credit Bidding.** The Lenders hereby irrevocably authorize Agent, based upon the instruction of the Required Lenders, to Credit Bid and purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted by Agent, based upon the instruction of the Required Lenders, under any provisions of the UCC, as part of any sale or investor solicitation process conducted by any Loan Party, any interim receiver, receiver, receiver and manager, administrative receiver, trustee, agent or other Person pursuant or under any insolvency laws; *provided*, that (i) the Required Lenders may not direct Agent in any manner that does not treat each of the Lenders equally, without preference or discrimination, in respect of consideration received as a result of the Credit Bid, (ii) the acquisition documents shall be commercially reasonable and contain customary protections for minority holders such as among other things, anti-dilution and tag-along rights, (iii) the exchanged debt or equity securities must be freely transferable, without restriction (subject to applicable securities laws) and (iv) reasonable efforts shall be made to structure the acquisition in a manner that causes the governance documents pertaining thereto to not impose any obligations or liabilities upon the Lenders individually (such as indemnification obligations). Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such Credit Bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration. For purposes of the preceding sentence, the term "*Credit Bid*" shall mean, an offer submitted by Agent (on behalf of the Lenders), based upon the instruction of the Required Lenders, to acquire the property of any Loan Party or any portion thereof in exchange for and in full and final satisfaction of all or a portion (as determined by Agent, based upon the instruction of the Required Lenders) of the claims and Obligations under this Agreement and other Loan Documents.

**14.10. Certain Collateral Matters.** The Lenders irrevocably authorize Agent, at its option and in its discretion, (a) to release any Lien granted to or held by Agent under any Loan Document (i) upon

Payment in Full of all Loans and all other Obligations of Borrowers hereunder; (ii) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted hereunder

(including the release of any guarantor); or (iii) subject to Section 15.5 if approved, authorized or ratified in writing by the Required Lenders; (b) to subordinate its interest in any Collateral to any holder of a Lien on such Collateral which is permitted by clause (a) of the definition of Permitted Liens (it being understood that Agent may conclusively rely on a certificate from Borrower Representative in determining whether the Indebtedness secured by any such Lien is permitted hereunder). Upon request by Agent at any time, the Lenders will confirm in writing Agent's authority to release, or subordinate its interest in, particular types or items of Collateral pursuant to this Section 14.10. Agent may, and at the direction of Required Lenders shall, give blockage notices in connection with any Subordinated Debt and each Lender hereby authorizes Agent to give such notices. Each Lender further agrees that it will not act unilaterally to deliver such notices.

**14.11. Restriction on Actions by Lenders.** Each Lender agrees that it shall not, without the express written consent of Agent, and shall, upon the written request of Agent (to the extent it is lawfully entitled to do so), set off against the Obligations, any amounts owing by such Lender to a Loan Party or any deposit accounts of any Loan Party now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken, any action, including the commencement of any legal or equitable proceedings to foreclose any loan or otherwise enforce any security interest in any of the Collateral or to enforce all or any part of this Agreement or the other Loan Documents. All Enforcement Actions under this Agreement and the other Loan Documents against the Loan Parties or any third party with respect to the Obligations or the Collateral may only be taken by Agent (at the direction of the Required Lenders or as otherwise permitted in this Agreement) or by its agents at the direction of Agent.

**14.12. Expenses.** Agent is authorized and directed to deduct and retain sufficient amounts from payments or proceeds of the Collateral received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by a Loan Party, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable share thereof. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out of pocket expenses (including Agent Professional fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the Payment in Full hereunder and the resignation or replacement of Agent.

**14.13. Notice of Default or Event of Default.** Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent will promptly notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with this Agreement; *provided*, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.



**14.14. Liability of Agent.** None of the Agent-Related Persons shall (a) be liable to any Lender for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Borrower or any of their respective Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of any Borrower, or any of their respective Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of any Borrower or their respective Subsidiaries.

**14.15. Recovery of Erroneous Payments.** Without limitation of any other provision in this Agreement, if at any time Agent makes a payment hereunder in error to any Lender, whether or not in respect of an Obligation due and owing by the Borrowers at such time, where such payment is a Rescindable Amount, then in any such event, each Lender receiving a Rescindable Amount severally agrees to repay to Agent forthwith on demand the Rescindable Amount received by such Lender in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to Agent, at the greater of the Federal Funds Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation. Each Lender irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. Agent shall inform each Lender promptly upon determining that any payment made to such Secured Party comprised, in whole or in part, a Rescindable Amount.

## 15. GENERAL PROVISIONS.

### 15.1. Notices.

(a) **Notice by Approved Electronic Communications.** Agent and each of its Affiliates is authorized to transmit, post or otherwise make or communicate, in its sole discretion (but shall not be required to do so), by Approved Electronic Communications in connection with this Agreement or any other Loan Document and the transactions contemplated therein. Agent is hereby authorized to establish procedures to provide access to and to make available or deliver, or to accept, notices, documents and similar items by posting to ABLSoft. All uses of ABLSoft and other Approved Electronic Communications shall be governed by and subject to, in addition to the terms of this Agreement, the separate terms, conditions and privacy policy posted or referenced in such system (or such terms, conditions and privacy policy as may be updated from time to time, including on such system) and any related contractual obligations executed by Agent and Loan Parties in connection with the use of such system. Each of the Loan Parties, the Lenders and Agent hereby acknowledges and agrees that the use of ABLSoft and other Approved Electronic Communications is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing Agent and each of its Affiliates to

transmit Approved Electronic Communications. ABLSoft and all Approved Electronic Communications shall be provided *"as is"* and *"as available"*. None of Agent or any of its

Affiliates or related persons warrants the accuracy, adequacy or completeness of ABLSoft or any other electronic platform or electronic transmission and disclaims all liability for errors or omissions therein. No warranty of any kind is made by Agent or any of its Affiliates or related persons in connection with ABLSoft or any other electronic platform or electronic transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. Each Borrower and each other Loan Party executing this Agreement agrees that Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with ABLSoft, any Approved Electronic Communication or otherwise required for ABLSoft or any Approved Electronic Communication. Prior to the Closing Date, Borrower Representative shall deliver to Agent a complete and executed Client User Form regarding Borrowers' use of ABLSoft in the form of Exhibit C annexed hereto. No Approved Electronic Communications shall be denied legal effect merely because it is made electronically. Approved Electronic Communications that are not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such Approved Electronic Communication, an E-Signature, upon which Agent and the Loan Parties may rely and assume the authenticity thereof. Each Approved Electronic Communication containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original. Each E-Signature shall be deemed sufficient to satisfy any requirement for a "**signature**" and each Approved Electronic Communication shall be deemed sufficient to satisfy any requirement for a "**writing**", in each case including pursuant to this Agreement, any other Loan Document, the UCC, the Federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural law governing such subject matter. Each party or beneficiary hereto agrees not to contest the validity or enforceability of an Approved Electronic Communication or E-Signature under the provisions of any applicable law requiring certain documents to be in writing or signed; **provided**, that nothing herein shall limit such party's or beneficiary's right to contest whether an Approved Electronic Communication or E-Signature has been altered after transmission.

(b) **All Other Notices.** All notices, requests, demands and other communications under or in respect of this Agreement or any transactions hereunder, other than those approved for or required to be delivered by Approved Electronic Communications (including via ABLSoft or otherwise pursuant to Section 15.1(a)), shall be in writing and shall be personally delivered or mailed (by prepaid registered or certified mail, return receipt requested), sent by prepaid recognized overnight courier service, or by email to the applicable party at its address or email address indicated below,

If to Agent:

ECLIPSE BUSINESS CAPITAL LLC,  
as Agent  
333 W Wacker Suite 950  
Chicago, IL 60606 Attention: Jim Gurgone  
Email: [jgurgone@eclipsebuscap.com](mailto:jgurgone@eclipsebuscap.com) with a copy to:



Jeff Linstrom,  
333 W Wacker Dr. Suite 950  
Chicago, Illinois 60606 Attention: Jeff Linstrom  
Email: [jlinstrom@eclipsebuscap.com](mailto:jlinstrom@eclipsebuscap.com)

If to Borrower Representative, any Borrower or any other Loan Party: c/o Live Ventures Incorporated

325 E. Warm Springs Rd #102 Las Vegas, NV 89119 Attention: Eric  
Althofer  
Email: [ealthofer@liveventures.com](mailto:ealthofer@liveventures.com)

**with copies to:**

Flooring Liquidators, Inc. 736 Mariposa Road  
Modesto, CA 95354 Attention: Stephen Kellogg  
Email: [steve@flooringliquidators.net](mailto:steve@flooringliquidators.net)

**and**

K&L Gates LLP  
300 S. Tryon Street, Suite 1000  
Charlotte, NC 28202  
Attention: Aaron S. Rothman, Esq. Facsimile: (704) 331-7598  
E-Mail: [aaron.rothman@klgates.com](mailto:aaron.rothman@klgates.com)

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party delivered as aforesaid. All such notices, requests, demands and other communications shall be deemed given (i) when personally delivered, (ii) three Business Days after being deposited in the mails with postage prepaid (by registered or certified mail, return receipt requested), (iii) one Business Day after being delivered to the overnight courier service, if prepaid and sent overnight delivery, addressed as aforesaid and with all charges prepaid or billed to the account of the sender or (iv) when sent by email transmission to an email address designated by such addressee and the sender receives a confirmation of transmission.

**15.2. Severability.** If any provision of this Agreement or any other Loan Document is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall thereupon be deemed modified only to the extent necessary to render same valid, or not applicable to given circumstances, or excised from this Agreement or such other Loan Document, as the situation may require, and this Agreement and the other Loan Documents shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein or therein, as the case may be.

**15.3. Integration.** This Agreement and the other Loan Documents represent the final, entire and complete agreement between each Loan Party that is a party hereto and thereto and Agent and supersede all prior and contemporaneous negotiations, oral representations and agreements, all of which

are merged and integrated into this Agreement. THERE ARE NO ORAL UNDERSTANDINGS, REPRESENTATIONS OR AGREEMENTS BETWEEN THE PARTIES THAT ARE NOT SET FORTH IN THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

**15.4. Waivers.** The failure of Agent and the Lenders at any time or times to require any Loan Party to strictly comply with any of the provisions of this Agreement or any other Loan Documents shall not waive or diminish any right of Agent later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have been waived by any act or knowledge of Agent or its agents or employees, but only by a specific written waiver signed by an authorized officer of Agent and any necessary Lenders and delivered to Borrowers. Each Loan Party waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, Instrument, Account, General Intangible, Document, Chattel Paper, Investment Property or guaranty at any time held by Agent on which such Loan Party is or may in any way be liable, and notice of any action taken by Agent, unless expressly required by this Agreement, and notice of acceptance hereof.

**15.5. Amendments.**

(a) No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or the other Loan Documents shall in any event be effective unless the same shall be in writing and acknowledged by the Required Lenders and Loan Parties, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided*, that, except to the extent set forth in Section 14.9 hereof, no amendment, modification, waiver or consent shall (i) extend or increase the Commitment of any Lender without the written consent of such Lender, (ii) extend the date scheduled for payment of any principal (excluding mandatory prepayments) of or interest on the Loans or any fees payable hereunder without the written consent of each Lender directly affected thereby, (iii) reduce the principal amount of any Loan, the rate of interest thereon or any fees payable hereunder, without the consent of each Lender directly affected thereby (other than the waiver of any obligation of any Loan Party to pay interest at the Default Rate), (iv) amend or modify the definitions of Borrowing Base, Eligible Accounts, Eligible Inventory, or any components thereof (including, without limitation, any Advance Rates), without the written consent of each Lender, or (v) release any guarantor from its obligations under any Guaranty, other than as part of or in connection with any disposition permitted hereunder, or release or subordinate its liens on all or any substantial part of the Collateral granted under any of the other Loan Documents (except as permitted by Section 14.10), change the definition of Required Lenders, any provision of Section 6.2, any provision of this Section 15.5, the provisions of Section 14.9 or reduce the aggregate Pro Rata Share required to effect an amendment, modification, waiver or consent, without, in each case set forth in this clause (v), the written consent of all Lenders. No provision of Section 14 or other provision of this Agreement affecting Agent in its capacity as such shall be amended, modified or waived without the consent of Agent. Any amendment contemplated by Section 3.6(d) of this Agreement in connection with a Benchmark Transition Event shall be effective as contemplated by such Section 3.6(d) hereof.

(b) If, in connection with any proposed amendment, modification, waiver or termination requiring the consent of all Lenders, the consent of the Required Lenders is obtained, but the consent of other Lenders whose consent is required is not obtained (any such Lender

whose consent is not obtained being referred to as a "***Non-Consenting Lender***"), then, so long as Agent is not a Non-Consenting Lender, Agent and/or a Person or Persons reasonably acceptable

to Agent and Borrower Representative shall have the right to purchase from such Non-Consenting Lenders, and such Non-Consenting Lenders agree that they shall, upon Agent's request, sell and assign to Agent and/or such Person or Persons, all of the Loans and Commitments of such Non-Consenting Lenders for an amount equal to the principal balance of all such Loans and Commitments held by such Non-Consenting Lenders and all accrued interest, fees, expenses and other amounts then due with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed Assignment and Assumption.

**15.6. Time of Essence.** Time is of the essence in the performance by each Loan Party of each and every obligation under this Agreement and the other Loan Documents.

**15.7. Expenses, Fee and Costs Reimbursement.** Each Borrower hereby agrees to promptly pay (a) all reasonable and documented out of pocket costs and expenses of Agent (including the reasonable and documented out of pocket fees, costs and expenses of internal and external legal counsel to, and appraisers, accountants, consultants and other professionals and advisors retained by or on behalf of, Agent) in connection with (i) all loan proposals and commitments pertaining to the transactions contemplated hereby (whether or not such transactions are consummated), (ii) the examination, review, due diligence investigation, documentation, negotiation, and closing of the transactions contemplated by the Loan Documents (whether or not such transactions are consummated), (iii) the creation, perfection and maintenance of Liens pursuant to the Loan Documents, (iv) the performance or enforcement by Agent of its rights and remedies under the Loan Documents (or determining whether or how to perform or enforce such rights and remedies), (v) the administration of the Loans (including usual and customary fees for wire transfers and other transfers or payments received by Agent on account of any of the Obligations) and Loan Documents, (vi) any amendments, modifications, consents and waivers to and/or under any and all Loan Documents (whether or not such amendments, modifications, consents or waivers are consummated), (vii) any customary periodic public record searches conducted by or at the request of Agent (including, title investigations and public records searches), pending litigation and Tax lien searches and searches of applicable corporate, limited liability company, partnership and related records concerning the continued existence, organization and good standing of certain Persons), (viii) protecting, storing, insuring, handling, maintaining, auditing, examining, valuing or selling any Collateral, (ix) any litigation, dispute, suit or proceeding relating to any Loan Document and (x) any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all of the Loan Documents (it being agreed that (A) such reasonable and documented costs and expenses may include the costs and expenses of workout consultants, investment bankers, financial consultants, appraisers, valuation firms and other professionals and advisors retained by or on behalf of Agent (B) each Lender shall also be entitled to reimbursement for all reasonable and documented out of pocket costs and expense of the type described in this clause (x), *provided* that, to the extent of an actual or reasonably perceived conflict of interest, such reimbursement shall be limited to one additional counsel for the Lenders as a whole), and

(b) without limiting the preceding clause (a), all reasonable and documented out of pocket costs and expenses of Agent in connection with Agent's reservation of funds in anticipation of the funding of the initial Loans to be made hereunder. Any third-party fees, costs and expenses owing by any Borrower or other Loan Party hereunder shall be due and payable within five (5) days after written demand therefor.

**15.8. Benefit of Agreement; Assignability.** The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of each Borrower, each other Loan Party party hereto, Agent and each Lender; *provided*, that neither each Borrower nor any other Loan Party may assign or transfer any of its rights under this Agreement without the prior written consent of Agent and each Lender, and any prohibited assignment shall be void. No consent by Agent or any Lender to any assignment shall release any other Loan Party from its

liability for any of the Obligations. Each Lender shall have the right to assign all or any of its rights and obligations under the Loan Documents to one or more other Persons in accordance with

Section 15.9, and each Loan Party agrees to execute all agreements, instruments, and documents reasonably requested by any Lender in connection with such assignment. Notwithstanding any provision of this Agreement or any other Loan Document to the contrary, a Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement and the other Loan Documents to secure any obligations of such Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank.

#### **15.9. Assignments.**

(a) Any Lender may at any time assign to one or more Persons (other than a natural person or a Competitor of any Loan Party) (any such Person, an "*Assignee*") all or any portion of such Lender's Loans and Commitments (i) as part of an assignment and transfer of such Lender's rights in and to a material portion of such Lender's portfolio of asset based credit facilities or (ii) with the prior written consent of Agent and, so long as no Event of Default pursuant to exists, Borrower Representative (which consents shall not be unreasonably withheld or delayed and shall not be required for an assignment by a Lender to a Lender (other than a Defaulting Lender) or an Approved Fund (other than an Approved Fund of a Defaulting Lender)). Except as Agent may otherwise agree, any such assignment shall be in a minimum aggregate amount equal to \$1,000,000 or, if less, the remaining Commitment and Loans held by the assigning Lender (*provided*, that an assignment to a Lender, an Affiliate of a Lender or an Approved Fund shall not be subject to the foregoing minimum assignment limitations). The Loan Parties and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned to an Assignee until Agent shall have received and accepted an effective Assignment and Assumption executed, delivered and fully completed by the applicable parties thereto and a processing fee of \$3,500. Notwithstanding anything herein to the contrary, no assignment may be made to any equity holder of a Loan Party, any Affiliate of any Sponsor, Sponsor Affiliated Entity equity holder of a Loan Party, any Loan Party, any holder of Subordinated Debt of a Loan Party, any holder of any debt that is secured by liens or security interests that have been contractually subordinated to the liens and security interests securing the Obligations, or any Affiliate of any of the foregoing Persons without the prior written consent of Agent, which consent may be withheld in Agent's sole discretion and, in any event, if granted, may be conditioned on such terms and conditions as Agent shall require in its sole discretion, including, without limitation, a limitation on the aggregate amount of Loans and Commitments which may be held by such Person and/or its Affiliates and/or limitations on such Person's and/or its Affiliates' voting and consent rights and/or rights to attend Lender meetings or obtain information provided to other Lenders. Any attempted assignment not made in accordance with this Section 15.9 shall be null and void. Each Loan Party shall be deemed to have granted its consent to any assignment requiring its consent hereunder unless Borrower Representative has expressly objected to such assignment within five (5) Business Days after written notice thereof.

(b) From and after the date on which the conditions described in Section 15.9(a) above have been met, (i) such Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned to such Assignee pursuant to the applicable Assignment and Assumption, shall have the rights and obligations of a Lender hereunder and (ii) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to the applicable Assignment and Assumption, shall be released from its rights (other than its indemnification rights) and obligations hereunder. Upon the request of the Assignee (and, as applicable, the assigning

Lender) (x) if such Lender is receiving an assignment of Revolving Loans pursuant to an effective Assignment and Assumption, Borrowers shall execute and deliver to Agent for delivery to the Assignee (and, as applicable, the assigning Lender) a promissory note in the principal

amount of the Assignee's Pro Rata Share of the aggregate Revolving Loan Commitment (and, as applicable, a promissory note in the principal amount of the Pro Rata Share of the aggregate Revolving Loan Commitment retained by the assigning Lender) ) and (y) if such Lender is receiving an assignment of an M&E Term Loan, a promissory note in the principal amount of the Assignee's outstanding M&E Term Loans (and, as applicable, a promissory note in the principal amount of the M&E Term Loan retained by assigning Lender). Each such promissory note shall be dated the effective date of such assignment. Upon receipt by Agent of such promissory note(s), the assigning Lender shall return to Borrowers any prior promissory note held by it.

(c) Agent shall, as a non-fiduciary agent of Borrowers, maintain a copy of each Assignment and Assumption delivered and accepted by it and register (the "**Register**") for the recordation of names and addresses of the Lenders and the Commitment of each Lender and principal and stated interest of each Loan owing to each Lender from time to time and whether such Lender is the original Lender or the Assignee. No assignment shall be effective unless and until the Assignment and Assumption is accepted and registered in the Register. All records of transfer of a Lender's interest in the Register shall be conclusive, absent manifest error, as to the ownership of the interests in the Loans. Agent shall not incur any liability of any kind with respect to any Lender with respect to the maintenance of the Register. Each Lender granting a participation shall, as a non-fiduciary agent of the Borrowers, maintain a register containing information similar to that of the Register in a manner such that the loans hereunder are in "registered form" for the purposes of the Code. This Section 15.9 and Section 15.10 shall be construed so that the Loans are at all times maintained in "registered form" for the purpose of the Code and any related regulations (and any successor provisions).

**15.10.Participations.** Anything in this Agreement or any other Loan Document to the contrary notwithstanding, any Lender may, at any time and from time to time, without in any manner affecting or impairing the validity of any Obligations, sell to one or more Persons (other than a Competitor of any Loan Party) participating interests in its Loans, commitments or other interests hereunder or under any other Loan Document (any such Person, a "**Participant**"). In the event of a sale by a Lender of a participating interest to a Participant, (a) such Lender's obligations hereunder and under the other Loan Documents shall remain unchanged for all purposes, (b) Borrowers and such Lender shall continue to deal solely and directly with each other in connection with such Lender's rights and obligations hereunder and under the other Loan Documents and (c) all amounts payable by Borrowers shall be determined as if such Lender had not sold such participation and shall be paid directly to such Lender; **provided**, that a Participant shall be entitled to the benefits of Section 13 as if it were a Lender if Borrower Representative is notified of such participation and the Participant complies with Section 13. Each Borrower agrees that if amounts outstanding under this Agreement or any other Loan Document are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; **provided**, that such right of set-off shall not be exercised without the prior written consent of such Lender and shall be subject to the obligation of each Participant to share with such Lender its share thereof. Each Borrower also agrees that each Participant shall be entitled to the benefits of Section 15.9 as if it were a Lender. Notwithstanding the granting of any such participating interests, (i) Borrowers shall look solely to the applicable Lender for all purposes of this Agreement, the Loan Documents and the transactions contemplated hereby, (ii) Borrowers shall at all times have the right to rely upon any amendments, waivers or consents signed by the applicable Lender as being binding upon all of the Participants and (iii) all communications in respect of this Agreement and such transactions shall remain

solely between Borrowers and the applicable Lender (exclusive of Participants) hereunder. If a Lender grants a participation hereunder, such Lender shall maintain, as a non-fiduciary agent of Borrowers, a

register as to the participations granted and transferred under this Section containing the same information specified in Section 15.9 on the Register as if each Participant were a Lender to the extent required to cause the Loans to be in registered form for the purposes of Sections 163(F), 165(J), 871, 881, and 4701 of the Code.

**15.11.Headings; Construction.** Article, Section and subsection headings are used in this Agreement only for convenience and do not affect the meanings of the provisions that they precede.

**15.12.USA PATRIOT Act Notification; Other Anti-Money Laundering Legislation** . Agent and Lenders hereby notify Loan Parties that pursuant to the Patriot Act, the Proceeds of Crime Act, the Money Laundering Regulations 2007 (UK), Proceeds of Crime Act 2002 (UK), Terrorism Act 2000 (UK) and other applicable anti-money laundering, anti-terrorist financing, economic or trade sanctions and “know your client” or “know your customer” policies, regulations, laws or rules (the Proceeds of Crime Act and such other applicable policies, regulations, laws or rules, collectively, including any guidelines or orders thereunder, “AML Legislation”), Agent and Lenders are required to obtain, verify and record information that identifies each Loan Party, including its legal name, address, tax ID number and other information that will allow Agent and Lenders to identify it in accordance with the Patriot Act and the AML Legislation. Agent and Lenders will also require information regarding each personal guarantor, if any, and may require information regarding Loan Parties’ management and owners, such as legal name, address, social security number and date of birth. Loan Parties shall, promptly upon request, provide all documentation and other information as Agent or any Lender may request from time to time in order to comply with any obligations under the Patriot Act and/or the AML Legislation.

**15.13.Counterparts; Fax/Email Signatures.** This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this letter agreement shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement may be executed by signatures delivered by facsimile or electronic mail, each of which shall be fully binding on the signing party.

**15.14.GOVERNING LAW.** THIS AGREEMENT, ALONG WITH ALL OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE IN SUCH OTHER LOAN DOCUMENT) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. FURTHER, THE LAW OF THE STATE OF NEW YORK SHALL APPLY TO ALL DISPUTES OR CONTROVERSIES ARISING OUT OF OR CONNECTED TO OR WITH THIS AGREEMENT AND ALL SUCH OTHER LOAN DOCUMENTS WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

**15.15.CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; CONSENT TO SERVICE OF PROCESS** . ANY LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO

THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK OR IN THE

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR IN ANY OTHER COURT (IN ANY JURISDICTION) SELECTED BY AGENT IN ITS SOLE DISCRETION, AND EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFOREMENTIONED COURTS. EACH BORROWER AND EACH OTHER LOAN PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR BASED ON 28 U.S.C. § 1404, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING AND ADJUDICATION OF ANY SUCH ACTION, SUIT OR PROCEEDING IN ANY OF THE AFOREMENTIONED COURTS AND AMENDMENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR UNDER ANY AMENDMENT, WAIVER, AMENDMENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH IN THE FUTURE MAY BE DELIVERED IN CONNECTION HERewith OR THEREWITH, OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO THE NOTICE ADDRESS SET FORTH IN RESPECT TO IT IN SECTION 15.1 AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE (5) DAYS AFTER THE SAME SHALL HAVE BEEN SO DEPOSITED IN THE MAIL, OR, BY SERVICE UPON SUCH PARTY IN ANY OTHER MANNER PROVIDED UNDER THE RULES OF ANY SUCH COURTS.

**15.16.Publication.** Each Borrower and each other Loan Party consents to the publication by Agent of a tombstone, press releases or similar advertising material relating to the financing transactions contemplated by this Agreement, and Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

**15.17.Confidentiality.** Agent and each Lender agree not to disclose Confidential Information to any Person without the prior consent of Borrower Representative; *provided*, that nothing herein contained shall limit any disclosure of the tax structure of the transactions contemplated hereby, or the disclosure of any information in each case (a) to the extent required by applicable law, statute, rule, regulation or judicial process or in connection with the exercise of any right or remedy under any Loan Document, or as may be required in connection with the examination, audit or similar investigation of Agent or any of its Affiliates, (b) to examiners, auditors, accountants or any regulatory authority to the extent required to be disclosed, (c) to the officers, partners, managers, directors, employees, agents and advisors (including independent auditors, lawyers and counsel) of Agent and each Lender to the extent advised of the confidentiality of such information and on a need-to-know basis, (d) in connection with any litigation or dispute which relates to this Agreement or any other Loan Document to which Agent or any Lender is a party or is otherwise subject, (e) reserved, (f) to any assignee or participant (or prospective assignee or participant) which agrees to be bound by this Section 15.17 and (g) to any lender or other funding source of Agent or any Lender (each reference to Agent and Lender in the foregoing

clauses shall be deemed to include (i) the actual and prospective assignees and participants referred to in clause (f) and the lenders and other funding sources referred to in clause (g), as applicable for purposes of

this Section 15.17), and further *provided*, that in no event shall Agent or any Lender be obligated or required to return any materials furnished by or on behalf of any Borrower or any other Loan Party or Other Obligor, but shall be obligated to destroy or delete such materials to the extent preceding clauses

(a) – (f) no longer apply to it; provided that Agent or Lender may retain copies of Confidential Information to the extent required by applicable law, regulations or internal document retention policies and will not be required to destroy electronic back-up versions of Confidential Information to the extent not reasonably practical. The obligations of Agent and Lenders under this Section 15.17 shall supersede and replace the obligations of Agent and Lenders under any confidentiality letter or provision in respect of this financing or any other financing previously signed and delivered by Agent or any Lender to any Borrower or any of its Affiliates.

**15.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

**15.19. Acknowledgement Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer

of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the

transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 15.20, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

**[Signature page follows]**

IN WITNESS WHEREOF, each Borrower, each other Loan Party party hereto, Agent and each Lender have signed this Agreement as of the date first set forth above.

**Agent:**

**ECLIPSE BUSINESS CAPITAL LLC**

By: \_\_\_\_\_ Name: Kevin Trout  
Its: Authorized Signatory

**Lenders:**

**ECLIPSE BUSINESS CAPITAL SPV, LLC**

By: \_\_\_\_\_ Name: Kevin Trout  
Its: Authorized Signatory

**Borrowers:**

[ ]

By: \_\_\_\_\_ Name: \_\_ Its: \_\_

**Loan Parties:**

[ ]

By: \_\_\_\_\_ Name: \_\_ Its: \_\_

**Perfection Certificate See Attached**

Perfection Certificate Page 1

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### Annex I Description of Certain Terms

1. Loan Limits for Revolving Loans	
(a) Maximum Revolving Facility Amount	\$25,000,000
(b) Advance Rates	
(i) Accounts Advance Rate	Eighty-five percent (85%); <i>provided</i> , that if Dilution exceeds five percent (5%), Agent may, at its option in its Permitted Discretion, (A) reduce such advance rate by the number of full or partial percentage points comprising such excess or (B) establish a Reserve on account of such excess (the " <i>Dilution Reserve</i> ").
(ii) Inventory Advance Rate(s)	
Cost or market value:	Sixty-five percent (65%)
NOLV:	Eighty-five percent (85%)
(c) Letter of Credit Limit:	\$500,000
(d) Inventory Sublimit(s)	\$12,000,000
(e) CRO Sublimit	\$500,000 increased to \$1,000,000 upon satisfaction of the CRO Sublimit Increase Requirements
(f) Reserved.	
(g) Availability Block	\$250,000
2. M&E Term Loans.	
Principal Amount of M&E Term Loan	\$3,540,000
Scheduled Amortization	The M&E Term Loan shall be repaid in equal consecutive monthly installments of \$59,000.00, payable on the first day of each calendar month commencing February 1, 2023 (the "Scheduled M&E Term Loan Amortization Payments"), with the entire unpaid balance due and payable on the Maturity Date.
3. Interest Rates	
(a) Revolver	Prior to April 1, 2023:  Four and one-half percent (4.50%) per annum in excess of the Adjusted Term SOFR  Three and one-half percent (3.50%) per

	annum in excess of the Base Rate Thereafter: See Annex IV.
(b) M&E Term Loan	Six percent (6.00%) per annum in excess of the Adjusted Term SOFR Five percent (5.00%) per annum in excess of the Base Rate
4. Maximum Days Eligible Accounts	
(a) Maximum days after original <i>invoice date</i> for Eligible Accounts	<b>Ninety (90)</b> days
(b) Maximum days after original <i>invoice due date</i> for Eligible Accounts	<b>Sixty (60)</b> days
5. Agent's Bank	Wells Fargo Bank, National Association and its affiliates <b>Account Name: Eclipse Business Capital SPV, LLC</b> <b>Account # 4943951905 ABA Routing # 121000248 Reference: Flooring</b> (which bank may be changed from time to time by notice from Agent to Borrower Representative)
6. Scheduled Maturity Date	<del>January</del> <u>February</u> 18, 2026

## Annex II

Borrower Representative shall provide Agent with the information set forth below at the following times (all in a format provided by, or acceptable to, Agent):

<p>Weekly (no later than the 3<sup>rd</sup> Business Day of each week), or more frequently if Agent requests</p> <p>(To be delivered electronically utilizing the Borrowing Base portal in ABLSoft )</p>	<p>(a) A summary and a detailed aging, by total, of Borrowers' Accounts, together with an Account roll-forward and Cash Reconciliation Form with supporting details supplied from sales journals, collection journals, credit registers and any other records, with respect to Borrowers' Accounts, along with a Client/Customer Master List.</p> <p>(b) A summary aging, by vendor, of each Loan Party's accounts payable (identifying therein any held and/or outstanding checks).</p> <p>(c) Notice of all claims, offsets, or disputes asserted by Account Debtors with respect to Borrowers' Accounts.</p> <p>(d) An Inventory Detail report with respect to Borrowers' Inventory, including a listing by category and location of Inventory, with backup acceptable to Agent.</p> <p>(e) A detailed calculation of Inventory of Borrowers that is not eligible for the Borrowing Base.</p>
<p>Monthly (no later than 20 days after the end of each month)</p> <p>(To be delivered electronically utilizing the Borrowing Base portal in ABLSoft)</p>	<p>(f) A summary and a detailed aging, by total, of Borrowers' Accounts, together with reconciliation to the weekly Borrowing Base submitted closest to such date and support documentation for any reconciling items noted.</p> <p>(g) A summary aging, by vendor, of each Loan Party's accounts payable and a listing by vendor, of any held and/or outstanding checks.</p> <p>(h) A monthly Account roll-forward with respect to Borrowers' Accounts tied to the beginning and ending Account balances of Borrowers' month-end accounts receivable aging.</p> <p>(i) A reconciliation of Accounts summary aging and trade accounts payable summary aging to each of (i) Borrowers' general ledger, and (ii) their monthly financial statements including any book reserves related to each category (using the Month End Reconciliation Form).</p> <p>(j) A reconciliation of the Inventory perpetual report with respect to Borrowers' Inventory to each of (i) Borrowers' general ledger, (ii) their monthly financial statements including any book reserves related thereto and (iii) the Borrowing Base submitted closest to such date, together with support documentation for any reconciling items noted (using the Month End Reconciliation Form).</p> <p>(k) A reconciliation of the loan statement provided to Borrowers by Agent for such month to each of (i) Borrowers' general ledger, (ii) their monthly financial statements and (iii) the Borrowing Base submitted closest to such date, together with support documentation for any reconciling items noted (using the Month End Reconciliation Form).</p> <p>(l) A detailed calculation of the Borrowing Base based upon the reports provided in (f) through (k) above, for such month and reflecting the outstanding principal balance of the Loans as of the last day of such month.</p>
<p>Promptly upon the request of Agent</p>	<p>(m) Copies of invoices together with corresponding shipping and delivery documents, and credit memos together with corresponding supporting</p>

	documentation, with respect to invoices and credit memos in excess of an amount determined in the sole discretion of Agent, from time to time.
Bi-Annually (in January and in July of each calendar year)	(n) A detailed list of each Loan Party's vendors, with address and contact information. (o) An updated Perfection Certificate, true and correct in all material respects as of the date of delivery, accompanied by a certificate executed by an officer of Borrower Representative and substantially in the form attached hereto (it being understood and agreed that no such update shall serve to cure any existing Event of Default, including any Event of Default resulting from any failure to provide any such disclosure to Agent on an earlier date or any breach of any earlier made representation and/or warranty).
Promptly upon (but in no event later than two Business Days after) delivery or receipt, as applicable, thereof	(p) Copies of any and all written notices (including notices of default or acceleration), reports and other deliveries received by or on behalf of any Loan Party from or sent by or on behalf of any Loan Party to, any holder, agent or trustee with respect to any Indebtedness that is contractually subordinated to the Obligations (in such holder's, agent's or trustee's capacity as such).

**Annex III**

**Revolving Loan Commitments**

Eclipse Business Capital SPV, LLC	\$25,000,000
<i>Total</i>	<i>\$25,000,000</i>

**M&E Term Loan Commitments**

Eclipse Business Capital SPV, LLC	\$3,540,000
<i>Total</i>	<i>\$3,540,000</i>

#### Annex IV Applicable Margin

Commencing on March 1, 2023 the following Pricing Grid shall determine the Applicable SOFR Margin or Applicable Base Rate Margin (as applicable, the “*Applicable Margin*”):

Level	Pricing Grid Fixed Charge Coverage Ratio	Average Excess Availability	Applicable SOFR Margin	Applicable Base Rate Margin
I	$\geq 1.75:1.00$	$\geq \$2,500,000$	3.75%	2.75%
II	$\geq 1.50:1.00$ but $< 1.75:1.00$	$\geq \$2,500,000$	4.00%	3.00%
III	$\geq 1.25:1.00$ but $< 1.50:1.00$	$\geq \$2,500,000$	4.25%	3.25%
IV	$< 1.25:1.00$	$< \$2,500,000$	4.50%	3.50%

The “Pricing Grid Fixed Charge Coverage Ratio” (as defined below) referred to in the pricing grid above shall be determined on a rolling twelve-month basis for the then most-recently ended quarter. The calculation of Pricing Grid Fixed Charge Coverage Ratio shall be based on the Compliance Certificate and accompanying financial statements the Borrower Representative has delivered to Agent by the respective date required under the Agreement. The movement between Levels in the pricing grid shall occur on the first Business Day of the month following the month in which the respective Compliance Certificate and accompanying financial statements have been delivered to Agent. For example, if the Borrower Representative delivers the Compliance Certificate and accompanying financial statements for the 1<sup>st</sup> Quarter during the month of April, then any applicable Level change would be implemented on the first Business Day in May.

Notwithstanding the foregoing, (a) if Borrower Representative fails to deliver the financial statements and the related Compliance Certificate necessary to determine the relevant Level pricing under the pricing grid Level by the respective date required under the Agreement with respect to any quarter, at Agent’s election, the Applicable Margin shall be the rates corresponding to the pricing set forth in "Level III" of the pricing grid above until such financial statements and Compliance Certificate are delivered (in which event any applicable Level change would be implemented on the first Business Day of the month following such delivery), and (b) no reduction to the Applicable Margin shall become effective at any time when an Event of Default has occurred and is continuing.

If, as a result of any restatement of or other adjustment to the financial statements of the Loan Parties or for any other reason, Agent determines that (a) the Pricing Grid Fixed Charge Coverage Ratio as calculated by Borrowers as of any applicable date was inaccurate and (b) a proper calculation of the Pricing Grid Fixed Charge Coverage would have resulted in different pricing for any period, then (i) if the proper calculation of the Pricing Grid Fixed Charge Coverage Ratio would have resulted in higher pricing for such period, Borrowers shall automatically and retroactively be obligated to pay an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period unless waived by Agent; and

(ii) if the proper calculation of the Pricing Grid Fixed Charge Coverage Ratio would have resulted in

lower pricing for such period, Agent shall have no obligation to repay any interest or fees to Borrowers, but each Lender shall apply a credit against Borrowers immediately succeeding interest payments equal to the excess of the amount of accrued interest actually received by such Lender (and not any of its predecessors in interest) for such period over the amount that should have been paid for such period; **provided** that if, as a result of any restatement or other event a proper calculation of the Pricing Grid Fixed Charge Coverage Ratio would have resulted in higher pricing for one or more periods and lower pricing for one or more other periods (due to the shifting of income or expenses from one period to another period or any similar reason), then the amount payable by Borrowers pursuant to clause (i) above shall be based upon the excess, if any, of the amount of interest and fees that should have been paid for all applicable periods over the amount of interest and fees paid for all such periods.

The “**Pricing Grid Fixed Charge Coverage Ratio**” shall mean the ratio of (a) EBITDA for the twelve-month period most recently ended, minus unfinanced Capital Expenditures of the Loan Parties on a consolidated basis for such period, to (b) Fixed Charges for such period.

“**Average Excess Availability**” shall mean, for any quarter, an amount equal to (a) daily Excess Availability as determined by reference to ABLSoft for each day during such quarter divided by (b) the number of calendar days in such period.



Exhibit A

FORM OF NOTICE OF BORROWING

[letterhead of Borrower Representative]

ECLIPSE BUSINESS CAPITAL LLC,  
as Agent

Attention: [ ]

Ladies and Gentlemen:

Please refer to the Loan and Security Agreement dated as of [ ] (as amended, restated or otherwise modified from time to time, the "*Loan Agreement*") among the undersigned, as Borrower Representative, the Borrowers (as defined therein) the Loan Parties (as defined therein) party thereto, the Lenders party thereto and ECLIPSE BUSINESS CAPITAL LLC, as Agent for the Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement. This notice is given pursuant to Section 2.3 of the Loan Agreement and constitutes a representation by Borrower Representative, for itself and on behalf of each Borrower, that the conditions specified in Section 4 of the Loan Agreement have been satisfied. Without limiting the foregoing, (i) each of the representations and warranties set forth in the Loan Agreement and in the other Loan Documents is true and correct in all material respects (except where such representation or warranty is already qualified by Material Adverse Effect, materiality or similar qualifications, in which case such representation or warranty shall be accurate in all respects) as of the date such Loan is made (or, to the extent any representations or warranties are expressly made solely as of an earlier date, such representations and warranties shall be true and correct in all material respects (except where such representation or warranty is already qualified by Material Adverse Effect, materiality or similar qualification in which such representation or warranty shall be accurate in all respects) as of such earlier date), both before and after giving effect thereto, and (ii) no Default or Event of Default is in existence, both before and after giving effect to the Loans requested hereby.

Borrower Representative hereby requests a borrowing, on behalf of each Borrower, under the Loan Agreement as follows:

The aggregate amount of the proposed borrowing is \$[ ]. The requested borrowing date for the proposed borrowing (which is a Business Day) is [ ], [ ].

Borrower Representative has caused this Notice of Borrowing to be executed and delivered by its officer thereunto duly authorized on [ ].

[Borrower Representative], as Borrower Representative

By:\_\_\_ Title:\_\_\_

**Exhibit B CLOSING CHECKLIST**

[Attached]

Ex. B-1

317270729.2

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**Exhibit C**

**CLIENT USER FORM ECLIPSE BUSINESS CAPITAL LLC**

**ABLSoft – Client User Form**

**Borrowers Names: [Borrowers] Borrower Number: \_\_**

**Loan and Security Agreement Date: \_\_, 20**

I, being an authorized signer of the above borrower, as Borrower Representative (the "*Borrower*"), refer to the above Loan and Security Agreement (as amended, restated or otherwise modified from time to time, the "*Loan Agreement*") between the Borrowers named above, the Lenders party thereto and ECLIPSE BUSINESS CAPITAL LLC, as Agent. This is the Client User Form, used to determined client access to ABLSoft. Terms defined in the Loan Agreement have the same meaning when used in this Client User Form.

Being duly authorized by Borrower Representative, on behalf of Borrowers, I confirm that the following individuals have been authorized by Borrower to have access to ABLSoft:

<b>First Name</b>	<b>Last Name</b>	<b>Email Address</b>	<b>Phone Number</b>

**[Borrower Representative], as Borrower Representative**

By\_\_ Name:\_\_

Ex. C-1

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Title: \_\_ Date: \_\_

Ex. C-2

317270729.2

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**Exhibit D AUTHORIZED ACCOUNTS FORM**  
**ECLIPSE BUSINESS CAPITAL LLC**  
**Authorized Accounts Form**

**Borrowers Names: [Borrowers] Borrower Number: \_\_**

**Loan and Security Agreement Date: \_\_, 20**

I, being an authorized signer of \_\_, as Borrower Representative, refer to the above Loan and Security Agreement (as amended, restated or otherwise modified from time to time, the "*Loan Agreement*") between the Borrower named above, the Lenders party thereto and ECLIPSE BUSINESS CAPITAL LLC, as agent ("*Agent*"). This is the Authorized Accounts Form, referring to authorized operating bank accounts of Borrower. Terms defined in the Loan Agreement have the same meaning when used in this Authorized Accounts Form.

Being duly authorized by Borrower Representative, I confirm that the following operating bank accounts of Borrowers are the accounts into which the proceeds of any Loan may be paid:

<b>Bank</b>	<b>Routing Number</b>	<b>Account number</b>	<b>Account name</b>

**[Borrower Representative], as Borrower Representative**

By: \_\_ Authorized Signer

Name: \_\_ Title: \_\_ Date: \_\_



**Exhibit E**

**FORM OF ACCOUNT DEBTOR NOTIFICATION**

**[Date]**

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

**[Account Debtor] [Address]**

**Re: Loan Transaction with ECLIPSE BUSINESS CAPITAL LLC**

Ladies and Gentlemen:

Please be advised that we have entered into certain financing arrangements (along with any other financing agreements that we may enter into with Agent in the future, the "*Financing Arrangements*") with ECLIPSE BUSINESS CAPITAL LLC ("*Agent*"), as Agent for certain Lenders, pursuant to which we have granted to Agent a security interest in, among other things, any and all Accounts and Chattel Paper (as those terms are defined in the Uniform Commercial Code) owing by you to us, whether now existing or hereafter arising.

You are authorized and directed to respond to any inquiries that Agent may direct to you from time to time pertaining to the validity, amount and other matters relating to such Accounts and Chattel Paper. In the event that Agent requests that payment for any Accounts and/or Chattel Paper be made directly to Agent, you are hereby authorized and directed to comply with such instructions, without further authorization or instruction from us.

This authorization and directive shall be continuing and irrevocable until Agent advises you, in writing, that this authorization is no longer in force.

Very truly yours,

**[BORROWER]**

By: \_\_ Name: \_\_\_\_ Its: \_\_\_\_

cc: ECLIPSE BUSINESS CAPITAL LLC  
as Agent

Attention: \_\_

Ex. E-1

317270729.2

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Exhibit F

FORM OF COMPLIANCE CERTIFICATE

[letterhead of Borrower Representative]

To: ECLIPSE BUSINESS CAPITAL LLC,  
as Agent

Attention: \_\_

Re: Compliance Certificate dated \_\_

Ladies and Gentlemen:

Reference is made to that certain Loan and Security Agreement dated as of \_\_, 20\_\_(as amended, restated or otherwise modified from time to time, the "*Loan Agreement*") by and among ECLIPSE BUSINESS CAPITAL LLC ( "*Agent*"), the Lenders party thereto, [\_\_\_\_], a [\_\_\_] and [\_\_\_], a [\_\_\_\_\_] (each a "*Borrower*" and collectively, the "*Borrowers*") and each of the Loan Parties (as defined therein) party thereto. Capitalized terms used in this Compliance Certificate have the meanings set forth in the Loan Agreement unless specifically defined herein.

Pursuant to Section 7.15 of the Loan Agreement, the undersigned Chief Financial Officer of Borrower Representative hereby certifies on behalf of each Borrower (solely in his capacity as an officer or Borrower Representative and not in his individual capacity) that:

1. The financial statements of Borrowers for the -month period ending attached hereto have been prepared in accordance with GAAP and fairly present the financial condition of Borrowers for the periods and as of the dates specified therein.
2. As of the date hereof, there does not exist any Default or Event of Default.
3. Borrowers are in compliance with the applicable financial covenants contained in Section 9 of the Loan Agreement for the periods covered by this Compliance Certificate. Attached hereto are statements of all relevant facts and computations in reasonable detail sufficient to evidence Borrowers' compliance with such financial covenants, which computations were made in accordance with GAAP.

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this day of

\_\_, \_\_.

**[BORROWER REPRESENTATIVE], as  
Borrower Representative**

By: \_\_ Name:  
Title: Chief Financial Officer

Ex. F-1

317270729.2

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**Exhibit G**

**FORM OF ASSIGNMENT AND ASSUMPTION**

**Dated [\_\_, 201\_]**

Ex. G-1 317270729.2

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Reference is made to the Loan and Security Agreement dated as of [\_\_\_], among [\_\_\_], a [\_\_\_] and [\_\_\_], a [\_\_\_] (each a 201 [\_\_\_] "**Borrower**") and

collectively the "**Borrowers**"), the other Loan Parties party thereto, the lenders party thereto as "Lenders" and Eclipse Business Capital LLC, as agent ("**Agent**") for the Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"). Terms defined in the Loan Agreement are used herein as therein defined.

[\_\_\_], solely in its capacity as a Lender under the Loan Agreement (the "**Assignor**"), and [\_\_\_] (the "**Assignee**") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, without recourse, representation or warranty (except as expressly set forth elsewhere herein), and the Assignee hereby purchases and assumes from the Assignor, on the Effective Date (as defined below), an interest as set forth in Exhibit A attached hereto (the "**Assigned Interest**") in and to (i) all of the Assignor's right, title and interest with respect to the Loans set forth in Exhibit A, (ii) all of the Assignor's right, title and interest with respect to the [ **Revolving Loan Commitment**] of Assignor as set forth in Exhibit A and (iii) to the extent related thereto, all of the Assignor's rights and obligations, solely as a Lender, under the Loan Agreement and any other Loan Document (including, without limitation, (A) the outstanding principal amount of the Loans made by the Assignor and assigned to Assignee hereunder, and (B) the Assignor's pro rata share of the obligations owing by each Loan Party under the Loan Agreement and the Loan Documents). The Assigned Interest (expressed as a percentage) in the Loans and the [ **Revolving Loan Commitment**] is set forth in Exhibit A.

2. The Assignor (i) represents and warrants as of the date hereof that [ **its Revolving Loan Commitment, or if its Revolving Loan Commitment shall have been terminated, the outstanding principal amount of its Revolving Loans**], is set forth in Exhibit A (without giving effect to assignments thereof which have not yet become effective); (ii) represents and warrants that it is the legal and beneficial owner of the interest it is assigning hereunder; (iii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made by or in connection with the Loan Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other Loan Document, or any other instrument or document furnished pursuant thereto; and (iv) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Loan Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto.

3. The Assignee represents and warrants that it has become a party hereto solely in reliance upon its own independent investigation of the financial and other circumstances surrounding the Loan Parties, the Collateral, the Loans, the Revolving Loan Commitments and all aspects of the transactions evidenced by or referred to in the Loan Documents, or has otherwise satisfied itself thereto, and that it is not relying upon any representation, warranty or statement (except any such representation, warranty or statement expressly set forth in this Assignment and Assumption) of the Assignor in connection with the assignment made under this Assignment and Assumption. The Assignee further acknowledges that the Assignee will, independently and without

reliance upon Agent, the Assignor or any other Lender and based upon the Assignee's review of such documents and information as the Assignee deems appropriate at the time, make and continue to make its own credit decisions in entering into this Assignment and Assumption and taking or not taking action under the Loan Documents. The Assignor shall have no duty or responsibility either initially or on a continuing basis to make any such investigation or any such appraisal on behalf of the Assignee or to provide the Assignee with any credit or other information with respect thereto, whether coming into its possession before the making of the initial extension of credit under the Loan Agreement or at any time or times thereafter.

4. The Assignee represents and warrants to the Assignor that it has experience and expertise in the making of loans such as the Loans or with respect to the other types of credit which may be extended under the Loan Agreement; that it has acquired its Assigned Interest for its own account and not with any intention of selling all or any portion of such interest; and that it has received, reviewed and approved copies of all Loan Documents.

5. The Assignor shall not be responsible to the Assignee for the execution, effectiveness, accuracy, completeness, legal effect, genuineness, validity, enforceability, collectibility or sufficiency of any of the Loan Documents or for any representations, warranties, recitals or statements made therein or in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents made or furnished or made available by the Assignor to the Assignee or by or on behalf of the Loan Parties to the Assignor or the Assignee in connection with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of the Loan Parties or any other Person liable for the payment of any Loans or payment of amounts owed in connection with other extensions of credit under the Loan Agreement or the value of the Collateral or any other matter. The Assignor shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or other extensions of credit under the Loan Agreement or as to the existence or possible existence of any Event of Default.

6. Each party to this Assignment and Assumption represents and warrants to the other party to this Assignment and Assumption that it has full power and authority to enter into this Assignment and Assumption and to perform its obligations under this Assignment and Assumption in accordance with the provisions set forth herein, that this Assignment and Assumption has been duly authorized, executed and delivered by such party and that this Assignment and Assumption constitutes a legal, valid and binding obligation of such party, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles.

7. Each party to this Assignment and Assumption represents and warrants that the making and performance by it of this Assignment and Assumption do not and will not violate any law or regulation of the jurisdiction of its organization or any other law or regulation applicable to it.

8. Each party to this Assignment and Assumption represents and warrants that all consents, licenses, approvals, authorizations, exemptions, registrations, filings, opinions and declarations from or with any agency, department, administrative authority, statutory corporation or judicial entity necessary for the validity or enforceability of its obligations under this Assignment and Assumption have been obtained, and no governmental authorizations other than any already obtained are required in connection with its execution, delivery and performance of this Assignment and Assumption.

9. The Assignor represents and warrants that it is the legal and beneficial owner of the interest being assigned and that such interest is free and clear of any lien, security interest or other encumbrance.

10. The Assignor makes no representation or warranty and assumes no responsibility with respect to the operations, condition (financial or otherwise), business or assets of the Loan Parties or the performance or observance by the Loan Parties of any of their obligations under the Loan Agreement or any other Loan Document.

11. The Assignee appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

12. The Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Agreement and the other Loan Documents are required to be performed by it as a Lender.

13. The Assignee confirms that it has received all documents and information it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption.

14. The Assignee specifies as its address for notices the office set forth beneath its name on the signature pages hereof.

15. The effective date for this Assignment and Assumption (the "*Effective Date*") shall be the date that is the latest of (a) the execution of this Assignment and Assumption, (b) the delivery of this Assignment and Assumption to Agent for acceptance, and (c) the date on which the Assignor has received the payment, in immediately available funds, by the Assignee of \$[\_\_\_], which amount represents the purchase price for the Assigned Interest.

16. Upon acceptance of this Assignment and Assumption by Agent, as of the Effective Date (i) the Assignee shall, in addition to the rights and obligations under the Loan Agreement and the other Loan Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Loan Agreement and the other Loan Documents that have been assigned to it pursuant to this Assignment and Assumption, and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Loan Agreement and the other Loan Documents that have been assigned by the Assignor to the Assignee pursuant to this Assignment and Assumption.

17. Upon acceptance of this Assignment and Assumption by Agent, from and after the Effective Date, Agent shall make all payments under the Loan Agreement in respect of the rights assigned hereby (including, without limitation, all payments of principal, interest and fees with respect thereto) to the Assignee. If the Assignor receives or collects any payment of interest or fees attributable to the interests assigned to Assignee by this Assignment and Assumption which has accrued after the Effective Date, the Assignor shall distribute to the Assignee such payment. If the Assignee receives or collects any payment of interest or fees which is not attributable to the interests assigned to the Assignee by this Assignment and Assumption or which has accrued on or prior to the Effective Date, the Assignee shall distribute to the Assignor such payment.

18. This Assignment and Assumption shall be delivered and accepted in and shall be deemed to be a contract made under and governed by the internal laws of the State of New York

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(but giving effect to federal laws applicable to national banks) applicable to contracts made and to be performed entirely within such state, without regard to conflict of laws principles.

**[rest of page intentionally left blank; signature page follows]**

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Assignment and Assumption as of the Effective Date.

**[ASSIGNOR]**

By\_\_ Name\_\_ Title\_\_

NOTICE ADDRESS AND PAYMENT INSTRUCTIONS FOR ASSIGNOR

Telephone No. ( ) \_\_-\_\_ Telecopy No. ( ) \_\_-\_\_

**[ASSIGNEE]**

By\_\_ Name\_\_ Title\_\_

NOTICE ADDRESS AND PAYMENT INSTRUCTIONS FOR ASSIGNEE

Telephone No. ( ) \_\_-\_\_ Telecopy No. ( ) \_\_-\_\_

ACCEPTED this \_\_ day of \_\_, 201

ECLIPSE BUSINESS CAPITAL LLC,  
as Agent

By\_\_\_\_ Name\_\_\_\_ Title\_\_]

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Consented to this \_\_\_ day of \_\_\_, 201\_ [BORROWER]

By: \_\_ Name: \_\_ Title: \_\_

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**EXHIBIT A**

Borrowers: [ ]

Description of Loan Agreement: Loan and Security Agreement, dated as of [ ], 201[ ] among Borrowers, the other Loan Parties party thereto, the lenders party thereto as "Lenders" and Eclipse Business Capital LLC as agent ("*Agent*") for the Lenders (as amended, restated, supplemented or otherwise modified from time to time).

Assigned Interests:

<b>Assignor's Interest Prior to Assignment</b>	<b>Assigned Interests</b>	<b>Assignor's Remaining Interest After Assignment</b>	<b>Assignee's Pro Rata Shares</b>
Revolving Loans and Revolving Loan Commitments			

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**Schedule 1.1(a) Certain Secured Indebtedness**

Master Installment Payment Agreement by and between Flooring Liquidators, Inc. and Samsara Capital Finance, executed as of January 28, 2021 with respect to the financing of certain equipment, software, services and other goods.

To the extent constituting Indebtedness, the operating lease for copiers, scanners, printers and fax systems by and between Flooring Liquidators, Inc. and Great America Financial Services Corporation.

**Schedule 1.1(b) Deemed Historical EBITDA**

December 2021	\$1,523,000
January 2022	\$863,000
February 2022	\$725,000
March 2022	\$1,617,000
April 2022	\$1,405,000
May 2022	\$1,475,000
June 2022	\$1,573,000
July 2022	\$1,463,000
August 2022	\$2,185,000
September 2022	\$670,000
October 2022	\$1,432,000
November 2022	\$1,070,000

**Schedule 1.1(b)**

**Deemed Historical Fixed Charges**

December 2021	\$233,000
January 2022	\$238,000
February 2022	\$238,000
March 2022	\$235,000
April 2022	\$229,000
May 2022	\$220,000
June 2022	\$215,000
July 2022	\$210,000
August 2022	\$204,000
September 2022	\$235,000
October 2022	\$235,000
November 2022	\$237,000

## Schedule 7.4 Retail Locations

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**Schedule 7.32 Environmental Matters**

None.

### **Schedule 7.36 Post-Closing Matters**

1. Within 30 days after the Closing Date, or such longer period as the Agent may, in its sole discretion, agree to in writing, the Loan Parties shall use commercially reasonable efforts to deliver to Agent, in form and substance satisfactory to Agent in its reasonable discretion, a Collateral Access Agreement for each of the locations listed in Section (c) of the Perfection Certificate.
2. Within 5 days after the Closing Date, or such longer period as the Agent may, in its sole discretion, agree to in writing, the Loan Parties shall deliver to Agent an original executed version of the Revolving Note.
3. Within 10 days of the Closing Date, Borrower Representative shall have obtained landlord waivers for the 736 Mariposa Road Modesto, CA 95354 location in form and substance satisfactory to Agent.
4. Within 5 days of the Closing Date, Borrower Representative shall have delivered each of the vehicle titles to CSC Global at 801 Adlai Stevenson Drive, Springfield, IL 62703.
5. Within 30 days of entering into an agreement with regard to the Midwest Flooring Distribution Center the Loan Parties shall deliver to Agent a Collateral Access Agreement in form and substance satisfactory to Agent in its reasonable discretion.
6. Within 60 days of the First Amendment Effective Date Agent shall have received DACAs for all bank accounts of CRO Affiliated, LLC in form and substance satisfactory to Agent and such bank accounts shall have been separated from a collection and disbursement standpoint in form and substance satisfactory to Agent.
7. Within 30 days of the First Amendment Effective Date Agent shall have received Collateral Access Agreements in form and substance satisfactory to Agent in its reasonable discretion for the locations of 4659 Wildwood Lane, Springdale, AR 72762 and 3560 Wagon Wheel Rd, Springdale AR 72762.
8. Within 60 days of the Second Amendment Effective Date Agent shall have received DACAs for all bank accounts of CRO Affiliated, LLC and Midwest Floor Source, Inc. in form and substance satisfactory to Agent and such bank accounts shall have been separated from a collection and disbursement standpoint in form and substance satisfactory to Agent.
9. Within 30 days of the Second Amendment Effective Date Agent shall have received Collateral Access Agreements in form and substance satisfactory to Agent in its reasonable discretion for the new locations listed on Section C of the amended Perfection Certificate
10. By 12/31/23 (or as extended by Agent), updated projections for FYE 9/30/24 for all Borrowers including monthly borrowing base and availability projection.
11. Within 30 days of the Second Amendment Effective Date Agent shall have received evidence in form and substance satisfactory to Agent that the liens on the assets acquired in Interior One Acquisition were released.

Document comparison by Workshare Compare on Tuesday, January 6, 2026 2:03:19 PM

Input:	
Document 1 ID	file:///C:/Users/JackEvans/EBC Dropbox/John Evans/Portfolio Matters 2022 +\Flooring LAmendments\Third Amendment\Flooring Third Amendment Exhibit A Loan and Security Agreement Execution Version.docx
Description	Flooring Third Amendment Exhibit A Loan and Security Agreement Execution Version
Document 2 ID	file:///C:/Users/JackEvans/EBC Dropbox/John Evans/Portfolio Matters 2022 +\Flooring LAmendments\Third Amendment\Flooring Fourth Amendment Exhibit A Loan and Security Agreement Execution Version.docx
Description	Flooring Fourth Amendment Exhibit A Loan and Security Agreement Execution Version
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
Moved from	
Moved to	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	3
Deletions	2

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Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	5

### **THIRD MODIFICATION AGREEMENT**

THIS THIRD MODIFICATION AGREEMENT (this “Agreement”) is made and entered into as of October 17, 2025, by and between VINTAGE STOCK, INC., a Missouri corporation (“Borrower”), and BANK MIDWEST, a division of NBH Bank (together with its successors and assigns, “Bank”).

#### **RECITALS**

A. Borrower and Bank are parties to a Credit Agreement dated as of October 17, 2023, by and between Borrower and Bank (the “Credit Agreement”), pursuant to which Bank agreed to make certain loans and other financial accommodations available to Borrower as more particularly set forth therein.

B. Borrower and Bank desire to enter into this Agreement to amend the Credit Agreement to (i) extend the maturity date of the Revolving Credit Loan, (ii) reduce the Revolving Credit Commitment, (iii) modify the advance rate with respect to Eligible Inventory, (iv) remove the Capital Expenditures covenant, and (v) make certain other modifications to the Loan Documents as more particularly set forth below.

#### **AGREEMENTS**

In consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Bank agree as follows:

1. Definitions. The Recitals to this Agreement are by this reference incorporated herein and made part of hereof. Capitalized terms used but not otherwise defined herein shall have the meaning given in the Credit Agreement.

2. Modification of the Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) The definition of the term “Eligible Inventory Advance Amount” contained in Section 1.1 of the Credit Agreement is hereby deleted and replaced with the following:

“Eligible Inventory Advance Amount” means an amount equal to 50% of the amount of the Eligible Inventory, calculated on the lower of cost or market.

(b) The definition of the term “Revolving Credit Commitment” contained in Section 1.1 of the Credit Agreement is hereby deleted and replaced with the following: “Revolving Credit

Commitment” means \$8,000,000.

(c) The definition of the term “Termination Date” contained in Section 1.1 of the Credit Agreement is hereby deleted and replaced with the following:

“Termination Date” means October 17, 2026.

(d) Section 7.11 of the Credit Agreement is hereby deleted and replaced with the following:

7.11 Restricted Payments. The Borrower will not, and will not permit Holdings or any Subsidiary to, pay any dividends or make any other Restricted Payments in respect of any Equity Interests of Holdings or such Subsidiary or

redeem or otherwise acquire any such stock or other Equity Interests; provided, however, that, if no Default or Event of Default then exists or would result therefrom, then Holdings and its Subsidiaries may pay dividends and distributions to each Person that owns its Equity Interests, ratably according to their respective holdings of such Equity Interests in respect of which such dividend or distribution is being made.

(e) Section 6.2(h) of the Credit Agreement is hereby deleted and replaced with the following:

(h) Inventory Appraisal. As requested by Bank from time to time in its sole and absolute discretion, an inventory appraisal report and valuation prepared by a third party appraisal firm reasonably acceptable to the Bank.

(f) Section 7.14 of the Credit Agreement is hereby deleted and replaced with the following:

7.14 Specific Financial Covenants. So long as any Obligations remain unpaid or the Bank has any commitment to extend credit to or for the benefit of the Borrower, the Borrower covenants to the Bank as follows.

(a) Fixed Charge Coverage. The Borrower must achieve a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00 at the end of each fiscal quarter of the Borrower for the twelve-month period ending on such date.

(b) Reserved.

(c) Fixed Charge Coverage (Pre-Distribution). The Borrower must achieve a Fixed Charge Coverage Ratio (Pre-Distribution) of not less than 1.30 to 1.00 at the end of each fiscal quarter of the Borrower for the twelve-month period ending on such date.

3. Modification of Loan Documents. The Loan Documents are hereby amended to incorporate the terms of this Agreement. Any reference to the "Loan Documents" either collectively or to any individual "Loan Document" as contained in the Credit Agreement or any other Loan Document shall hereafter refer to such Loan Document or Loan Documents as modified by this Agreement and any future amendment, modification, renewal, extension or replacement thereof.

4. No Other Modifications. Except as expressly set forth herein, or necessary to incorporate the modifications and amendments herein, all the terms and conditions of the Loan Documents shall remain unmodified and in full force and effect, and Borrower confirms and ratifies all such documents and agrees to perform and comply with the terms and conditions of the Loan Documents, as modified herein.

5. Waiver of Specified Default. Bank waives any Default or Event of Default that may currently exist as a result of Borrower's failure to (a) comply with the minimum Liquidity test as a condition precedent to any Restricted Payment, as described in Section 7.11(b) of the Credit Agreement, or (b) deliver to Bank an inventory appraisal in accordance with Section 6.2(h) of the Credit Agreement during the fiscal year 2025 (collectively, the "Specified Defaults"), and agrees that it will not exercise any rights or remedies available to Bank under the Loan Documents or applicable law as a result of the Specified

Defaults. This waiver is limited to the Specified Defaults described above and does not extend to any other breach, Default

or Event of Default now existing or hereafter arising. This waiver does not constitute a waiver of Bank's right to insist on Borrower's or any Guarantor's strict compliance with the referenced covenants and all other terms and conditions of the Loan Documents at all future times.

6. Representations and Warranties. Borrower represents and warrants to Bank as follows:

(a) the representations and warranties of Borrower contained in the Credit Agreement and the other Loan Documents are true and correct as of the date hereof (as if such representations and warranties were made as of the date hereof);

(b) the organizational documents described in Section 4.1(j) of the Credit Agreement are and remain in full force and effect and are unchanged since delivered to Bank as of the Closing Date, and Borrower has the power under such organizational documents to enter into this Agreement and to perform its obligations hereunder;

(c) the execution, delivery and performance by the Borrower of this Agreement have each been duly authorized by all necessary action, and does not contravene (i) any provision of the organizational documents of the Borrower, (ii) any law, rule, or regulation applicable to the Borrower or its properties, or (iii) any agreement or instrument to which the Borrower is a party or by which the Borrower is bound or to which it is subject;

(d) This Agreement is the legal, valid, and binding obligation of Borrower, enforceable against Borrower in accordance with its terms;

(e) no registration with, or consent or approval of, or notice to, or other action by any other person for the execution, delivery and performance of this Agreement by Borrower is required or, if required, such registration has been made, such consent, approval or notice given, or such other appropriate action taken;

(f) Borrower has no defenses, counterclaims or rights of setoff against Bank, and no events have occurred which, with the giving of notice or passage of time, or both, would entitle Borrower to any such defenses, counterclaims or rights of setoff; and

(g) Other than the Specified Defaults, no Default or Event of Default exists and Bank is not in default under the Loan Documents or any instrument executed in connection with the Loans, and no condition exists which, with the giving of notice or lapse of time, or both, would constitute a default by Bank thereunder.

7. Conditions Precedent. It shall be a condition precedent to the effectiveness of this Agreement that: (a) no Default or Event of Default (other than the Specified Defaults) shall exist under the Credit Agreement or any other Loan Document; (b) the Borrower has delivered evidence of its authority to enter into this Agreement as well as the capacity of the individuals executing this Agreement on its behalf;

(c) Guarantor has executed and delivered the Consent of Guarantor attached hereto to Bank; (d) upon the request of the Bank, the Borrower shall have provided to the Bank, and the Bank shall be satisfied with, the documentation and other information so requested in connection with the applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act; (e) if the Borrower qualifies as a "legal entity customer" under 31 C.F.R. § 1010.230, it shall deliver a certification regarding beneficial ownership required by 31 C.F.R. § 1010.230 to the Bank if so requested; and (f) the Bank shall have received such other items as it may reasonably request.

8. Costs, Expenses and Fees. Borrower will promptly pay, upon demand by Bank, all costs and expenses of Bank in connection with the execution and delivery of this Agreement and the other documents referenced herein and the consummation of the transactions contemplated hereby, including the reasonable fees and expenses of counsel to Bank. Borrower shall pay to Bank a nonrefundable renewal fee in the amount of \$12,000, which fee shall be deemed fully-earned upon receipt.

9. No Impairment. Nothing in this Agreement shall be deemed to or shall in any manner prejudice or impair the Loan Documents. This Agreement shall not be deemed to be nor shall it constitute any alteration, waiver, annulment or variation of the liens and encumbrances of the Security Agreement or the other Loan Documents, or the terms and conditions of or any rights, powers, or remedies under the Loan Documents, except as expressly set forth herein.

10. Waiver of Claims and Defenses. Borrower and Guarantor hereby release, remise, acquit and forever discharge Bank and its employees, agents, representatives, consultants, attorneys, fiduciaries, servants, officers, directors, partners, predecessors, successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions (all of the foregoing hereinafter called the “Released Parties”), from any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct and/or indirect, at law or in equity, of whatsoever kind or nature, for or because of any matter or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected to this Agreement, the Credit Agreement or the other Loan Documents (all of the foregoing hereinafter called the “Released Matters”). Borrower and Guarantor acknowledge that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters, may be pleaded as a full and complete defense to any action by Borrower or Guarantor against any or all of the Released Parties, and may be used as the basis for a permanent injunction against any action by Borrower or Guarantor against any or all of the Released Parties. Borrower and Guarantor represent and warrant to Bank that it has not purported to transfer, assign or otherwise convey any right, title or interest of Borrower or Guarantor in any Released Matter to any other Person and that the foregoing constitutes a full and complete release of all Released Matters.

11. Time of the Essence. Time shall be of the essence of each and every provision of this Agreement of which time is an element.

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Missouri without giving effect to any choice of law rules thereof.

13. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. Counterparts. This Agreement may be executed in separate counterparts and all such counterparts when combined shall constitute one agreement. Delivery of an executed counterpart of this Agreement by electronic transmission shall constitute effective delivery thereof.

15. Waiver of Jury Trial. This Agreement and the other Loan Documents are subject to the waiver of jury set forth in Section 9.15 of the Credit Agreement.

16. Mo. Rev. Stat. § 432.047 Statement. The following statement is given pursuant to Mo. Rev. Stat. § 432.047: **“Oral or unexecuted agreements or commitments to loan money, extend**

**credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based**

**that is in any way related to the credit agreement. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.”** For purposes of this Section 15 and the foregoing Missouri statute, all of the terms of the other Loan Documents are incorporated in and made part of this Agreement by reference; *provided, however*, that to the extent of any direct conflict between the terms of this Agreement and those of the other Loan Documents, the terms of this Agreement shall prevail and govern.

[signature page follows]

IN WITNESS WHEREOF, Bank and Borrower have executed this Agreement as of the date first written above.

**BORROWER:**

**VINTAGE STOCK, INC.**

By:\_\_\_\_  
Seth Bayless, Chief Operating Officer and Vice President

**BANK:**

**BANK MIDWEST, A DIVISION OF NBH BANK**

By:\_\_\_\_ Lathem A. Scott, Vice President

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**CONSENT OF GUARANTOR**

The undersigned (the "Guarantor") is a party to a Guaranty dated as of October 17, 2023 (the "Guaranty") in favor of Bank. Guarantor represents and warrants to Bank as follows: (i) Guarantor has read and understands the foregoing Agreement, agrees to its terms and consents to its execution and delivery by the Borrower; (ii) Guarantor's Guaranty remains in full force and effect in accordance with its terms and remains applicable to the guaranteed obligations, including, without limitation, the indebtedness and obligations of Borrower under the Credit Agreement and the other Loan Documents, as amended by the foregoing Agreement; (iii) Guarantor has no defenses, set-offs, counterclaims or other claims to or against Bank's enforcement of its rights and remedies under the Guaranty to which Guarantor is a party, and Guarantor hereby joins in the waiver of claims and defenses set forth in Section 10 of the foregoing Agreement; and (iv) Guarantor has had an opportunity to consult with legal counsel of its choice in connection with the execution of this Consent of Guarantor and has either done so or has elected, in his sole discretion, not to do so. Capitalized terms used and not otherwise defined in this Consent of Guarantor shall have the meanings assigned thereto in the foregoing Agreement.

Dated as October 17, 2025.

**GUARANTOR:**

**VINTAGE STOCK AFFILIATED HOLDINGS LLC**

By: \_\_\_\_ Jon Isaac, President and Chief Executive Officer

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**BANK MIDWEST,  
a division of NBH Bank**

**DISBURSEMENT REQUEST, AUTHORIZATION AND DELIVERY OF FUNDS**

**Dated:** October 17, 2025

**RE:** VINTAGE STOCK, INC., a Missouri corporation  
\$8,000,000.00 Revolving Line of Credit

**CLOSING COSTS/PAYOFFS:**

**1. Borrower acknowledges and agrees to the disbursement of the following from the loan proceeds as set forth below:**

Payee Name	Amount	Method of payment	Wire Instructions (if applicable)
Bank Midwest, a division of NBH Bank: Renewal Fee: \$12,000	\$12,000	Internal Bank Transfer	Internal Bank Transfer

**2. The primary purpose of this loan is to provide a working capital line of credit to Borrower.**

**AUTHORIZATION**

BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER.

DATED to be effective as of the date set forth above.

**BORROWER:**

VINTAGE STOCK, INC.  
a Missouri corporation

By: \_\_\_\_ Seth Bayless, Chief Operating Officer and Vice President

**Acknowledged and Approved:**

Dated to be effective as of the date first set forth above.

All documents prepared by us have been prepared in material compliance with the terms described in the Commercial Loan Presentation as approved on October 14, 2025. **Any changes would require approval from our Credit Underwriting team prior to closing and funding in the form of a revised approval.** In order to fund the Loan, you must provide the Closer/Commercial Loan Documentation Group [commloandoc@nbhbank.com](mailto:commloandoc@nbhbank.com) with photocopies of the checklist, executed note, mortgage, loan agreement, settlement statement and guaranties (as well as confirmation of filed UCC-1's).

Please e-mail this completed/signed/authorized Disbursement Request, Authorization and Delivery of funds **along with an itemized, balanced settlement sheet accounting for all monies in the loan transaction (or Sources and Uses form for Cap Finance deals)** prior to funding to the Closer and [commloandoc@nbhbank.com](mailto:commloandoc@nbhbank.com), along with your invoice for the total cost of your services for this engagement, so it can be included as a closing cost of the Borrower.

**STINSON LLP**

By: \_\_\_  
Scott P. Smalley, Partner

**Certificate Of Completion**

Envelope Id: 04EE3147-DB9F-41E3-B31F-2D9C4371FC69 Status: Completed Subject: Complete with Docusign: Third Modification Agreement  
10.2025.pdf, Disbursement Agreement.pdf

Source Envelope:

Document Pages: 10 Signatures: 4 Envelope Originator:

Certificate Pages: 6 Initials: 0 Barbara Sims

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AutoNav: Enabled  
Envelopeld Stamping: Enabled  
Time Zone: (UTC-06:00) Central Time (US & Canada)

1111 Main Street  
Suite 2700  
Kansas City, MO 64105  
bobbi.sims@bankmw.com IP  
Address: 63.76.132.2

**Record Tracking**

Status: Original  
10/20/2025 3:54:16 PM

Holder: Barbara Sims  
bobbi.sims@bankmw.com

Location: DocuSign

Jon Isaac jisaac@liveventures.com  
Security Level: Email, Account Authentication (None)

Sent: 10/20/2025 4:01:07 PM Viewed:  
10/20/2025 4:24:07 PM Signed: 10/20/2025  
4:24:34 PM

Signature Adoption: Drawn on Device Using IP  
Address:  
2607:fb90:8714:4b0e:c1e4:faa6:c27f:41cc  
Signed using mobile

**Authentication Details**

Identity Verification Details:

Workflow ID: c368e411-1592-4001-a3df-dca94ac539ae Workflow Name: Phone Authentication  
Workflow Description: Recipient will need to authenticate with their phone number via SMS or a phone call Transaction Unique ID: 5e6f1483-8f6d-5e7d-9db2-b916f961b728  
Result: Phone Verification Passed Selected Method: SMS  
Phone Number: +1 702-721-0161 Performed: 10/20/2025 4:23:58 PM

**Electronic Record and Signature Disclosure:**

Accepted: 10/20/2025 4:24:07 PM  
ID: f9addc5c-029b-401a-9bd7-b589eceb528b Company Name: NBH Bank

Lathem Scott Lathem.scott@bankmw.com Vice  
President  
Security Level: Email, Account Authentication  
(None) Signature Adoption: Pre-selected Style

Sent: 10/20/2025 4:01:04 PM Viewed:  
10/20/2025 4:02:52 PM Signed: 10/20/2025  
4:03:12 PM

Using IP Address: 2600:387:f:751a::c Signed using  
mobile

**Authentication Details**

Identity Verification Details:

Workflow ID: c368e411-1592-4001-a3df-dca94ac539ae Workflow Name: Phone Authentication  
Workflow Description: Recipient will need to authenticate with their phone number via SMS or a phone call Transaction Unique ID: 12816081-07d2-56f6-8504-0e3e205dab86  
Result: Phone Verification Passed Selected Method: SMS  
Phone Number: +1 816-803-2858 Performed: 10/20/2025 4:02:41 PM

**Electronic Record and Signature Disclosure:**

Accepted: 10/20/2025 4:02:52 PM  
ID: d28d661e-286d-40ad-87c6-3b2f87af846a Company Name: NBH Bank

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Seth Bayless seth.bayless@vintagestock.com Vice  
President/COO  
Security Level: Email, Account Authentication  
(None) Signature Adoption: Pre-selected Style

Using IP Address: 69.92.226.114

Sent: 10/20/2025 4:01:05 PM Viewed:  
10/20/2025 4:05:02 PM Signed: 10/20/2025  
4:07:21 PM

**Authentication Details**

**Identity Verification Details:**

Workflow ID: c368e411-1592-4001-a3df-dca94ac539ae Workflow Name: Phone Authentication  
Workflow Description: Recipient will need to authenticate with their phone number via SMS or a phone call Transaction Unique ID: b11d9a6f-484a-53e2-b62a-ba736ff0ac78  
Result: Phone Verification Passed Selected Method: SMS  
Phone Number: +1 417-434-3407 Performed: 10/20/2025 4:04:50 PM

**Identity Verification Details:**

Workflow ID: c368e411-1592-4001-a3df-dca94ac539ae Workflow Name: Phone Authentication  
Workflow Description: Recipient will need to authenticate with their phone number via SMS or a phone call Transaction Unique ID: 145bc1cb-b054-5573-b663-54110bc50ba7  
Result: Phone Verification Passed Selected Method: SMS  
Phone Number: +1 417-434-3407 Performed: 10/20/2025 4:34:01 PM

**Electronic Record and Signature Disclosure:**

Accepted: 10/20/2025 4:05:02 PM  
ID: 0cc86ac2-cae2-4178-bdb6-bce7397716ab Company Name: NBH Bank

Bobbi Sims bobbi.sims@bankmw.com  
Commercial & Specialty Banking Portfolio Management  
Manager, Commercial Banking Bank Midwest  
Security Level: Email, Account Authentication (None)

Sent: 10/20/2025 4:01:06 PM Resent:  
10/20/2025 4:24:37 PM

**Electronic Record and Signature Disclosure:**

Accepted: 2/2/2021 9:37:05 AM  
ID: f7266375-a3a9-4237-b5d4-10d57f40de0e  
Company Name: NBH Bank

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/20/2025 4:01:07 PM
Certified Delivered	Security Checked	10/20/2025 4:05:02 PM

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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Signing Complete Completed	Security Checked Security	10/20/2025 4:07:21 PM
	Checked	10/20/2025 4:24:34 PM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
<b>Electronic Record and Signature Disclosure</b>		

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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, NBH Bank (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact NBH Bank:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows: To contact us by email send messages to: [comloandoc@nbhbank.com](mailto:comloandoc@nbhbank.com)

**To advise NBH Bank of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [comloandoc@nbhbank.com](mailto:comloandoc@nbhbank.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

**To request paper copies from NBH Bank**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [comloandoc@nbhbank.com](mailto:comloandoc@nbhbank.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number.

**To withdraw your consent with NBH Bank**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

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- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [comloandoc@nbhbank.com](mailto:comloandoc@nbhbank.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify NBH Bank as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by NBH Bank during the course of your relationship with NBH Bank.

## Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jon Isaac, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2025 of Live Ventures Incorporated (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

*/s/ Jon Isaac*

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**Jon Isaac**  
**President and Chief Executive Officer**  
**(Principal Executive Officer)**

Dated: February 12, 2026

**Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, David Verret, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2025 of Live Ventures Incorporated (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

*/s/ David Verret*

---

**David Verret**

**Chief Financial Officer**

**(Principal Financial Officer)**

Dated: February 12, 2026

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the 3 Quarterly Report of Live Ventures Incorporated (the "Company") on Form 10-Q for the period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jon Isaac, the President and Chief Executive Officer of the Company, to the best of my knowledge and belief, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ Jon Isaac*

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**Jon Isaac**  
**President and Chief Executive Officer**  
**(Principal Executive Officer)**

Dated: February 12, 2026

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Report as a separate disclosure document of the Company or the certifying officers.

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

**CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Live Ventures Incorporated (the "Company") on Form 10-Q for the period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Verret, the Chief Accounting Officer (Principal Financial Officer) of the Company, to the best of my knowledge and belief, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ David Verret*

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**David Verret**

**Chief Financial Officer**

**(Principal Financial Officer)**

Dated: February 12, 2026

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Report as a separate disclosure document of the Company or the certifying officers.

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*