

THIRD AMENDING AGREEMENT

This Third Amending Agreement is made effective as of the 11th day of October, 2024.

AMONGST:

CROWN CAPITAL PARTNERS INC., as borrower (the "**Borrower**")

AND

CANADIAN WESTERN BANK, as lender (the "**Lender**")

AND

EACH OF THE GUARANTORS, in their respective capacity as guarantors (collectively, the "**Guarantors**")

WHEREAS the Borrower, the Lender and the Guarantors entered into a credit agreement dated as of February 7, 2023 (the "**Credit Agreement**") pursuant to which the Lender agreed to make certain credit facilities available to the Borrower on and subject to the terms and conditions set out therein;

AND WHEREAS after issuing Notices of Default outlining certain defaults committed by the Debtors, as set out in Schedule "B" hereto, which defaults have not been waived by the Lender, the parties hereto entered into an agreement to amend the Credit Agreement dated as of December 29, 2023 (the "**First Amending Agreement**");

AND WHEREAS as a result of certain defaults under the Credit Agreement and the First Amending Agreement, as set out in Schedule "B" hereto, the Lender issued demand for payment and notices of intention to enforce security dated April 16, 2024 (collectively, the "**First Demands**");

AND WHEREAS the Lender agreed to withdraw the First Demands and did so, concurrently entering into an agreement with the Debtors to amend the Credit Agreement dated as of May 14, 2024 (the "**Second Amending Agreement**");

AND WHEREAS as a result of certain defaults committed by the Debtors under the Second Amending Agreement, the Lender issued Notices of Default dated July 31, 2024 outlining the defaults and confirming that the defaults have not been waived;

AND WHEREAS as a result of certain defaults under the Credit Agreement, First Amending Agreement, and Second Amending Agreement, as set out in Schedule "B" hereto, the Lender issued demand for payment and notices of intention to enforce security dated October 7, 2024 (collectively, the "**Second Demands**");

AND WHEREAS as part and parcel of entering into this Third Amending Agreement and receipt of the Haileybury Paydown, the Lender has agreed to withdraw the Second Demands following the execution of this Third Amending Agreement and satisfaction of all conditions precedent as set forth herein;

AND WHEREAS notwithstanding the Existing Defaults, the parties hereto have agreed to enter into this Third Amending Agreement to further amend the Credit Agreement, as provided for herein (the Credit Agreement, as amended by the First Amending Agreement, the Second Amending Agreement, and as

further amended by this Agreement and as the same may be further amended, modified, supplemented, restated or replaced from time to time, is referred to herein as the **“Third Amending Agreement”**);

AND WHEREAS as at September 25, 2024, the amount of \$25,307,109.31, together with interest, fees and costs continuing to accrue (the **“Indebtedness”**) is owing collectively by each of the Borrower and the Guarantors under the Loans pursuant to the Credit Agreement, as amended;

AND WHEREAS the Lender’s Security pledged by each of the Borrower and the Guarantors is valid and enforceable as against the assets, property and undertaking referenced therein in accordance with their written terms and such security has not been released, waived or varied, except as may be supplemented by the First Amending Agreement, the Second Amending Agreement and this Third Amending Agreement;

NOW THEREFORE in consideration of the payment of the sum of two dollars (\$2.00) by each of the parties hereto to the other and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree with each other as follows:

ARTICLE 1
INTERPRETATION

1.1 Capitalized Terms

All capitalized terms used herein and not otherwise defined herein have the meanings given to them in the Credit Agreement, as amended, and the following terms when used herein shall have the following meaning:

- (a) **“Credit Agreement”** has the meaning ascribed thereto in the above recitals;
- (b) **“Debtors”** means collectively the Borrower and the Guarantors as outlined in Schedule “A” hereto;
- (c) **“Existing Defaults”** means the defaults more particularly outlined in Schedule “B” hereto, which have not been accepted or waived by the Lender;
- (d) **“First Amending Agreement”** has the meaning ascribed thereto in the above recitals;
- (e) **“Haileybury Paydown”** has the meaning set out in Section 2.1(f) of this Third Amending Agreement;
- (f) **“Haileybury Receivable”** means the amount of approximately \$20,291,910 that was received by Crown Capital Partners Inc. (or an affiliate including Community Network Partners Inc.) in respect of the Ontario Connects grant program pursuant to the Accelerated High Speed Internet Program agreement dated as of May 2, 2022;
- (g) **“Notices of Default”** means the letters issued by the Lender to the Credit Parties dated November 9, 2023, December 14, 2023 and July 31, 2024;
- (h) **“Second Amending Agreement”** has the meaning ascribed thereto in the above recitals;
- (i) **“Strategic Alternatives”** has the meaning set out in Section 2.1(e)(i) of this Third Amending Agreement;
- (j) **“Strategic Alternatives Milestone Dates”** has the meaning set out in Section 3.1 of this Third Amending Agreement; and

- (k) **“Third Amending Agreement”** means this agreement together with all Schedules appended hereto.

1.2 References

Unless otherwise indicated, all references in this Third Amending Agreement to Articles, Sections, subsections and clauses are to Articles, Sections, subsections and clauses of the Credit Agreement.

ARTICLE 2 AMENDMENTS TO CREDIT AGREEMENT

2.1 Amendments

- (a) Section 1.1.74 is hereby deleted and replaced with the following:
 - 1.1.74 **“Maturity Date”** means December 31, 2024.
- (b) Section 1.1.85 is hereby deleted and replaced with the following:
 - 1.1.85 **“Operating Loan Limit”** means the authorized limit of the Operating Loan which the Lender has agreed to make available to the Borrower, being \$2,000,000 from May 1, 2024 to May 31, 2024, \$4,000,000 from June 1, 2024 to June 30, 2024 and \$5,000,000 from July 1, 2024 to October 15, 2024, and \$0 after October 15, 2024. For greater clarity, the Operating Loan shall be cancelled and terminated effective as of the date of the Haileybury Paydown.
- (c) The pricing for the Operating Loan shall be Pricing Level 4 – Default pursuant to Section 1.1.86 **“Operating Loan Pricing Table”**.
- (d) Pursuant to the terms of the Second Amending Agreement, the waiver of the Margin Condition expired on July 31, 2024 and such waiver has not been continued by the Lender under the terms of this Third Amending Agreement or otherwise.
- (e) Section 13.2.2 of the Credit Agreement is hereby amended by:
 - (i) deleting 13.2.2(j) and replacing it with:
 - 13.2.2
 - ...
 - (j) Every week until the expiry of the Maturity Date, the Debtors shall attend a weekly meeting (either in person or via video conference) with the Lender and A&M at a date and time to be set by the Lender, during which time the Debtors shall provide a financial and operational status update to the Lender and A&M to address, among other things, construction milestones, the collection of receivables and the status of the pursuit of the Strategic Alternatives, which shall include but are not limited to the sale of Penady SC property, the sale of Barrie NB property, the refinancing of other telecom businesses and any other alternatives that may be

discussed from time to time as between the Debtors, A&M and the Lenders (together, the “**Strategic Alternatives**”) and the status and terms of the Debenture extension. Subject to the Strategic Alternatives Milestone Dates, the Debtors shall deliver up any documentation requested by the Lender or A&M to support such updates, including but not limited to expressions of interest, letters of intent or other such documentation as may be requested by the Lender or A&M from time to time.

- (f) Article 13 of the Credit Agreement is hereby amended by adding the following Section 13.5 after Section 13.4:

13.5 Repayment Covenants. The Debtors hereby covenant and agree to make the following payments:

- a) **Haileybury Receivable.** At minimum, \$10 million of the Haileybury Receivable (the “**Haileybury Paydown**”) shall be immediately delivered to the Lender upon execution of this Third Amending Agreement. The Lender agrees to apply \$5 million of the Haileybury Paydown to the Term Loan Facility and \$5 million to the revolving Operating Loan, each of which shall act as a permanent reduction to the outstanding Indebtedness owed by the Debtors to the Lender under the Loans. For greater clarity, the Haileybury Paydown shall not include the Missed September Payments (as defined below).
- b) **Missed September Payments.** Concurrent with the execution of this Third Amending Agreement, the Debtors shall pay, in addition to the Haileybury Paydown, all interest payments that were due and owing by the Debtors to the Lender on September 30, 2024 (the “**Missed September Payments**”), and which payments were missed by the Debtors. For greater clarity, payment of the Missed September Payments is in addition to the Haileybury Paydown.
- c) **Payment of Lender’s Professional Fees.** Concurrent with the execution of this Third Amending Agreement, the Debtors shall pay to the Lender all professional fees incurred by the Lender’s advisors, including A&M and Fasken Martineau DuMoulin LLP, on a full indemnity basis.

- (g) Article 13 of the Credit Agreement is hereby amended by adding the following Section 13.6 after Section 13.5:

13.6 Enforcement Proceedings. In the event the Debtors fail to a) repay the then outstanding Indebtedness owed to the Lender by the Maturity Date, or b) demonstrate an imminent plan to repay such Indebtedness to the Lender’s satisfaction (in its sole and unfettered discretion), then the Debtors hereby agree and acknowledge that the Lender shall be at liberty to pursue any enforcement proceeding available to it at law. The Debtors covenant that they will not oppose the commencement of any such enforcement proceedings by the Lender, including the filing of an application seeking the appointment of a receiver or receiver-manager.

ARTICLE 3
MILESTONE DATES

3.1 Strategic Alternatives Milestone Dates

Section 3.1 of the Second Amending Agreement is hereby amended by the following:

The following, constituting the “**Strategic Alternatives Milestone Dates**”, must be satisfied by the Debtors:

- (a) No later than October 18, 2024, the Debtors shall provide evidence of the resolution of the Debentures extension, including but not limited to any extension terms agreed to by the Debtors, in a manner satisfactory to the Lender, acting reasonably.
- (b) No later than November 15, 2024, the Debtors shall provide the Lender with an executed letter of intent, term sheet, commitment, or other form of agreement evidencing a refinancing or other form of restructuring that will be sufficient to fully repay the Indebtedness owed to the Lender at the Maturity Date.

ARTICLE 4 AMENDMENT FEE

4.1 Amendment Fee

[redacted
commercially
sensitive fee]

As consideration for this Third Amending Agreement, the Borrower shall promptly pay an amendment fee in the amount of \$ [redacted] (the “**Amendment Fee**”) to be debited from the Borrower’s account and to the extent there are insufficient funds in the Borrower’s account to satisfy the Amendment Fee, the Amendment Fee shall be added to the outstanding indebtedness owing pursuant to the Credit Agreement and secured by the Lender’s Security.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Effectiveness

The effectiveness of this Third Amending Agreement as an amendment to the Credit Agreement is subject to and conditional upon the Lender having received, in form and substance satisfactory to the Lender, the following:

- (a) a duly executed copy of this Third Amending Agreement; and
- (b) such other closing documents and documentation which the Lender may reasonably request,

and the Conditions Precedent established in Section 5.2 hereof being fulfilled.

5.2 Conditions Precedent

The following are conditions precedent to this Third Amending Agreement:

- (a) The Lender shall receive the Haileybury Paydown from the Debtors.

5.3 Representations and Warranties

All of the representations and warranties of the Borrower and the Guarantors set forth in the Credit Agreement, as amended, are true and correct on and as of the date hereof as though made on and as of the date hereof (except where stated to be given only as of a specified date or as captured by the Existing Defaults). In addition, the Borrower and the Guarantors, as applicable, each represent and warrant that they remain in good standing with the following contract counterparties:

- (a) Her Majesty the Queen in Right of Ontario, As Represented by the Minister of Infrastructure under the Accelerated High Speed Internet Program Project Agreement;
- (b) The City of Brooks under the Services Agreement; and
- (c) The City of Brooks under the Co-Ownership Agreement.

5.4 Covenants, Terms and Conditions

Except as set out in the Notices of Default, First Demands and Second Demands, each of the Borrower and the Guarantors have performed or observed or caused to be performed or observed each of the covenants set forth in the Credit Agreement to be performed or observed by it to the date hereof.

5.5 Events of Default

Other than the Existing Defaults, there has not occurred any unremedied Default or Event of Default.

ARTICLE 6 **RATIFICATION**

6.1 Terms and Conditions

Except as amended by Article 2 hereof, all terms and conditions of the Credit Agreement, as amended, including by the First Amending Agreement and the Second Amending Agreement shall continue in full force and effect unamended and are hereby ratified and confirmed in every respect. The Borrower and the Guarantors hereby consent and agree to the amendments to the Credit Agreement, as provided in this Third Amending Agreement, and ratifies and confirms the terms of the Security Documents to which it is a party. By its execution hereof, each of the Borrower and the Guarantors hereby acknowledges the terms of the Amended Credit Agreement and ratifies and confirms the terms of the Security Documents to which it is a party, as amended by this Third Amending Agreement.

ARTICLE 7 **MISCELLANEOUS**

7.1 Supplemental

This Third Amending Agreement is supplemental to and amends the Credit Agreement, the First Amending Agreement and the Second Amending Agreement, and the Credit Agreement and the Amended Credit Agreement, the First Amending Agreement and the Second Amending Agreement shall henceforth be read in conjunction with, as amended by, this Third Amending Agreement, and the Credit Agreement, the First Amending Agreement, the Second Amending Agreement and this Third Amending Agreement shall henceforth be read, interpreted, construed and have effect so far as it is practicable as if all of the provisions of the Credit Agreement, the First Amending Agreement, the Second Amending Agreement and this Third Amending Agreement were contained in one instrument.

7.2 Further Assurances

The Borrower hereby covenants and agrees that it shall at all times and from time to time hereafter and upon every request by the Lender so to do, make, do, execute, deliver or cause to be made, done, executed and delivered, all such further acts, deeds, assurances, opinions and things as may be required for more effectually implementing and carrying out the provisions of this Third Amending Agreement.

7.3 Headings

The headings of the Articles and Sections of this Third Amending Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Third Amending Agreement.

7.4 Governing Law

The parties agree that this Third Amending Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein.

7.5 Jurisdiction

- (a) Submission: For the benefit of the Lender, the Borrower and each of the Guarantors agree that the courts of the Province of Alberta have jurisdiction to settle any disputes in connection with this Third Amending Agreement and accordingly submits to the jurisdiction of the courts of the Province of Alberta.
- (b) Forum Convenience and Enforcement Abroad: The Borrower and each of the Guarantors:
 - (i) waive objection to the courts of the Province of Alberta on grounds of inconvenient forum or otherwise as regards proceedings in connection with this Third Amending Agreement; and
 - (ii) agree that a judgment or order of a court of the Province of Alberta in connection with this Third Amending Agreement is conclusive and binding on it (subject to any rights of appeal in respect thereof) and may be enforced against it in the courts of any other jurisdiction.
- (c) Non-exclusivity: Nothing in this Section 7.5 limits the right of the Lender to bring proceedings against the Borrower in connection with this Third Amending Agreement:
 - (i) in any other court of competent jurisdiction; or
 - (ii) concurrently in more than one jurisdiction.

7.6 Assignment

The Debtors acknowledge and confirm that they shall not be permitted to assign any rights or obligations under the Credit Agreement, as amended, without the prior written consent of the Lender in accordance with Section 13.1.25 of the Credit Agreement. The Lender shall be at liberty to assign any of its rights and obligations under the Credit Agreement and the Security, without the consent of the Debtors.

7.7 Release

As consideration for the agreement of the Lender to enter into this Third Amending Agreement, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Debtors and each of their respective officers, directors, employees, agents, successors and assigns and anyone claiming through or under them (collectively, the "**Releasers**"), do hereby release, remise and forever discharge the Lender (including its associates, officers, directors, employees, agents, counsel, financial advisors, accountants, successors and assigns and anyone claiming through or under it) of and from any and all claims and demands of every nature and kind at law or in equity or under any statute, action, cause of action, suits, debts, dues, sums of money, damages, losses, indemnities and costs, which the Releasers or any one or more of them now have or ever had, can, shall or may have in respect of or in any way arising out of or related to the dealings or transactions in respect of the Credit Agreement, the First Amending Agreement, the Second Amending Agreement, the Guarantees, the Security, this Third Amending Agreement and any other agreements, or any dealings with any of the Releasers related to the Indebtedness or other involvement with the Debtors excluding any Losses sustained or incurred by the Releasers as a consequence of the Lender's gross negligence or wilful misconduct. The releases granted under this Section shall survive the termination of this Third Amending Agreement.

7.8 Counterparts

This Third Amending Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Third Amending Agreement to produce or account for more than one such counterpart executed by each party. For purposes of this Section, the delivery of a facsimile copy or a scanned copy by electronic mail of an executed counterpart of this Third Amending Agreement shall be deemed to be an original thereof.

[Signatures on following pages]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

[redacted signatures]

CANADIAN WESTERN BANK

Per: 
Name: Karen Gordon
Title: Manager, Credit

Per: 
Name: Cory Stark
Title: Assistant Vice President
We have authority to bind the Corporation

[redacted signatures]

CROWN CAPITAL PARTNERS INC.

DocuSigned by:
[Redacted Signature]

Per: [Redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

CROWN CAPITAL OPERATING PARTNER SERVICES LTD.

DocuSigned by:
[Redacted Signature]

Per: [Redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

PENEQUITY INC.

DocuSigned by:
[Redacted Signature]

Per: [Redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

LUMBERMENS CREDIT GROUP LTD.

DocuSigned by:
[Redacted Signature]

Per: [Redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

GO DIRECT GLOBAL INC.

DocuSigned by:
[Redacted Signature]

Per: [Redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

[Signature Page to the Third Amending Agreement]

[redacted signatures]

GO DIRECT AMERICA INC.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

WIREIE INC.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

GALAXY BROADBAND COMMUNICATIONS INC.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

COMMUNITY NETWORK PARTNERS INC.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

COMMUNITY NETWORK PARTNERS SERVICES INC.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

[redacted signatures]

CROWN CAPITAL FUNDING CORPORATION

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

CROWN CAPITAL PRIVATE CREDIT FUND, LP, by its general partner, CROWN CAPITAL PRIVATE CREDIT MANAGEMENT INC.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

PENADY (NORTH BARRIE) LIMITED

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

PENADY (STONEY CREEK) LTD.

DocuSigned by:
[redacted]
Per: [redacted]
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

[redacted signatures]

PRC BARRIE CORP.

Per: 
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation
PRC STONEY CREEK CORP.

Per: 
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

PENEQUITY DEVELOPMENT LP, by its general partner **PENEQUITY DEVELOPMENT GP INC.**

Per: 
Name: Christopher Johnson
Title: Authorized Signing Authority

I have authority to bind the Corporation

SCHEDULE "A"

DEBTORS

- 1) Crown Capital Partners Inc. ("**Crown Capital**")
- 2) Crown Capital Operating Partner Services Ltd. ("**CCO**")
- 3) PenEquity Inc. ("**PenEquity**")
- 4) Lumbermens Credit Group Ltd. ("**Lumbermens**")
- 5) Go Direct Global Inc. ("**GD Global**")
- 6) Go Direct America Inc. ("**GD America**")
- 7) WireIE Inc. ("**WireIE**")
- 8) Galaxy Broadband Communications Inc. ("**Galaxy**")
- 9) Community Network Partners Inc. ("**CNP**")
- 10) Community Network Partners Services Inc. ("**CNPS**")
- 11) Crown Capital Funding Corporation ("**Funding**")
- 12) Crown Capital Private Credit Fund, LP ("**LP**")
- 13) Penady (North Barrie) Limited ("**Penady NB**")
- 14) Penady (Stoney Creek) Ltd. ("**Penady SC**")
- 15) PRC Barrie Corp. ("**PRC Barrie**")
- 16) PRC Stoney Creek Corp. ("**PRC SC**")
- 17) PenEquity Development LP, by its general partner PenEquity Development GP Inc. ("**PenEquity LP**")

SCHEDULE "B"

DEFAULTS

1. As at June 30, 2023, maintaining Net Total Debt to TTM EBITDA of 7.39 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
2. As at June 30, 2023, maintaining a Fixed Charge Coverage ratio of 0.49 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
3. As at September 30, 2023, maintaining Net Total Debt to TTM EBITDA of 15.48 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
4. As at September 30, 2023, maintaining a Fixed Charge Coverage ratio of 0.30 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
5. As at December 31, 2023, maintaining a Net Total Debt to TTM EBITDA of 10.76 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
6. As at December 31, 2023, maintaining a Fixed Charge Coverage ratio of 0.41 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
7. Failing to provide the Q4 2023 financial reporting by the timelines required;
8. In Q4 of 2023, making prohibited distributions in the aggregate of \$585,912 in breach of Section 13.1.22 of the Credit Agreement;
9. As at March 30, 2024, maintaining Net Total Debt to TTM EBITDA of 7.75:1.00 in breach of Section 13.1.28 of the Credit Agreement;
10. As at March 30, 2024, maintaining a Fixed Charge Coverage ratio of 0.52:1.00 in breach of Section 13.1.28 of the Credit Agreement;
11. Failing to satisfy the Lender by June 30, 2024 of the progress and advancement of the Strategic Alternatives by June 30, 2024 in breach of Section 3.1 of the Second Amending Agreement;
12. For the Q2 2024 period, maintaining a Net Total Debt to TTM EBITDA ratio of 12.65 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
13. For the Q2 2024 period, maintaining a Fixed Charge Coverage ratio of 0.41 to 1.0 in breach of Section 13.1.28 of the Credit Agreement;
14. Failing to pay principal and interest as and when due on September 30, 2024 pursuant to the Credit Agreement; and
15. Failing to cure the excess position of both the margin limit and facility limit under the revolving line of credit.