

# STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (“Agreement”) is entered into as of **March 31, 2023** (“Effective Date”) by and among:

1. **Argyle LLP**, a private equity firm organized under the laws of Delaware with its principal office at 100 Financial Plaza, New York, NY 10005 (“Buyer”); and
2. **Suregood Family Trust**, established by William Suregood in 1951 (“Seller”), on behalf of its interest in **Erebor Life, Inc.**, a corporation organized under the laws of Colorado with its principal place of business at 1450 Larimer Street, Suite 250, Denver, CO 80202 (“Company”).

## RECITALS

WHEREAS, the Seller owns a controlling stake in the Company, including approximately 86% of the outstanding common shares, and desires to sell a portion thereof representing 51% of the outstanding common shares to the Buyer; and

WHEREAS, the Buyer desires to purchase such shares from the Seller for an aggregate purchase price of **\$231,000,000** (the “Purchase Price”), negotiated upward from an initial offer of **\$215,000,000**; and

WHEREAS, the parties have conducted extensive due diligence and agree that the financial performance of the Company—characterized by annual revenue of approximately **\$19,300,000**, a historical growth rate of **2.1%** per annum, and assets under management (“AUM”) of approximately **\$22.1 billion**—supports the Purchase Price and the Company’s potential to accelerate its transformation into a full financial services and investment firm; and

WHEREAS, the parties desire to set forth the terms and conditions governing the purchase and sale of the shares.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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## 1. DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings set forth below:

1.1 “**Common Shares**” means the common stock of the Company.

1.2 “**Closing**” means the consummation of the transactions contemplated by this Agreement, which shall take place on a date mutually agreed by the parties, but no later than **July 31, 2023**.

1.3 **“Representations and Warranties”** means the representations and warranties made by the Seller and the Buyer as set forth in Sections 3 and 4, respectively.

1.4 **“Covenants”** means the covenants and agreements set forth in Section 5.

1.5 **“Conditions Precedent”** means the conditions set forth in Section 6 that must be satisfied or waived prior to Closing.

1.6 **“Indemnification”** means the indemnification provisions contained in Section 8.

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## 2. PURCHASE AND SALE OF SHARES

2.1 **Sale and Purchase.** Subject to the terms and conditions of this Agreement, at Closing, the Seller shall sell, transfer, assign, and deliver to the Buyer, and the Buyer shall purchase from the Seller, an aggregate of shares representing **51%** of the outstanding Common Shares of the Company (the “Purchased Shares”).

2.2 **Purchase Price.** The aggregate Purchase Price for the Purchased Shares shall be **\$231,000,000**, payable in cash at Closing, subject to adjustments as provided herein.

2.3 **Payment of Purchase Price.** At Closing, the Buyer shall pay the Purchase Price to the Seller by wire transfer of immediately available funds to an account designated in writing by the Seller.

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## 3. SELLER REPRESENTATIONS AND WARRANTIES

The Seller hereby represents and warrants to the Buyer as follows (each representation and warranty is true as of the Effective Date and as of the Closing Date):

### 3.1 Organization and Authority.

- The Company is a corporation duly organized, validly existing, and in good standing under the laws of Colorado.
- The Seller is the legal and beneficial owner of the shares being sold, free and clear of any liens, encumbrances, or adverse claims.

### 3.2 Financial Statements.

- The financial statements of the Company for the fiscal years ended December 31, 2020, 2021, and 2022 have been prepared in accordance with U.S. GAAP and fairly present the financial position, results of operations, and cash flows of the Company.

- The Company's annual revenue was approximately **\$19,300,000** for FY 2022, and its AUM is approximately **\$22.1 billion**.

### **3.3 Compliance with Laws.**

- The Company is in compliance with all applicable federal, state, and local laws, rules, and regulations, including those related to insurance and financial services.

### **3.4 Litigation.**

- Except as disclosed in writing to the Buyer, there are no pending or threatened litigations, claims, or investigations against the Company that would materially affect its financial condition or operations.

### **3.5 Disclosure.**

- All information provided to the Buyer in connection with the due diligence process is true, complete, and accurate in all material respects.

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## **4. BUYER REPRESENTATIONS AND WARRANTIES**

The Buyer represents and warrants to the Seller that (each representation and warranty is true as of the Effective Date and the Closing Date):

### **4.1 Organization and Authority.**

- The Buyer is duly organized, validly existing, and in good standing under the laws of Delaware, and has the requisite power and authority to enter into this Agreement and perform its obligations hereunder.

### **4.2 No Conflicts.**

- The execution, delivery, and performance of this Agreement by the Buyer does not and will not conflict with, or result in a breach of, any agreement or obligation to which the Buyer is a party.

### **4.3 Investment Intent.**

- The Buyer is acquiring the Purchased Shares for investment purposes and not with a view to distribution in violation of applicable securities laws.
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## 5. COVENANTS

### 5.1 Operational Covenants.

- The Seller agrees to operate the Company in the ordinary course of business until the Closing, preserving its current financial condition.
- The Seller shall provide the Buyer with monthly updates on financial performance, including key metrics such as revenue, operating margins, and progress on the transformation initiatives.

### 5.2 Transformation Support.

- The Seller agrees to work cooperatively with the Buyer in implementing the transformation strategy, including securing an additional **\$15,000,000** in capital and facilitating recruitment of critical personnel in digital transformation by **June 30, 2023**.

### 5.3 Minority Shareholder Engagement.

- The Seller will hold regular meetings with minority shareholders, including Paula Wellington, to address concerns and ensure transparency regarding strategic initiatives.
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## 6. CONDITIONS PRECEDENT

The obligation of the Buyer to consummate the transaction is subject to the satisfaction or waiver of the following conditions as of the Closing Date:

### 6.1 Due Diligence.

- The Buyer shall have completed its due diligence review, and no material adverse change in the financial condition, operations, or prospects of the Company shall have occurred.

### 6.2 Regulatory Approvals.

- All necessary federal, state, and local regulatory approvals must have been obtained.

### 6.3 Board and Shareholder Approvals.

- The Board of Directors and shareholders of the Company must have approved the transaction in accordance with the Company's governance documents.

### 6.4 Definitive Agreements.

- The parties shall have executed definitive agreements, including any required amendments to the Shareholder Agreement and corporate governance documents.
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## **7. CLOSING**

### **7.1 Closing Date.**

- The Closing shall occur on or before **July 31, 2023**, subject to the satisfaction of all Conditions Precedent.

### **7.2 Deliveries at Closing.**

- The Seller shall deliver to the Buyer certificates representing the Purchased Shares, duly endorsed for transfer.
  - The Buyer shall deliver the Purchase Price in accordance with Section 2.3.
  - Each party shall deliver all other documents and instruments reasonably required to effect the transactions contemplated by this Agreement.
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## **8. INDEMNIFICATION**

### **8.1 Indemnification by the Seller.**

- The Seller agrees to indemnify and hold harmless the Buyer from and against any losses, claims, liabilities, or damages arising out of any breach of the Seller's representations, warranties, or covenants contained herein.

### **8.2 Indemnification by the Buyer.**

- The Buyer agrees to indemnify and hold harmless the Seller from and against any losses, claims, liabilities, or damages arising out of any breach of the Buyer's representations, warranties, or covenants contained herein.

### **8.3 Procedures.**

- The indemnification obligations shall be subject to the procedures set forth in the definitive agreements, including notice and defense provisions.
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## **9. TERMINATION**

### **9.1 Termination Rights.**

- Either party may terminate this Agreement if the Conditions Precedent have not been satisfied by the Closing Date.
- In the event of a termination due to the Seller's breach, the Seller shall pay a break-up fee of **\$5,000,000** to the Buyer.

### **9.2 Effect of Termination.**

- Upon termination, all rights and obligations of the parties under this Agreement shall cease, except for those that expressly survive termination.

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## **10. MISCELLANEOUS**

### **10.1 Governing Law.**

- This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

### **10.2 Entire Agreement.**

- This Agreement, together with all exhibits and schedules attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings, and agreements.

### **10.3 Amendments.**

- Any amendment or modification of this Agreement must be in writing and signed by both parties.

### **10.4 Counterparts.**

- This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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## **11. SIGNATURES**

IN WITNESS WHEREOF, the parties have executed this Stock Purchase Agreement as of the Effective Date.

**Argyle LLP**

By: \_\_\_\_\_

Name: John P. Carter

Title: Senior Investment Director

Date: March 31, 2023

**Suregood Family Trust (on behalf of Erebor Life, Inc.)**

By: \_\_\_\_\_

Name: William Suregood

Title: Founder/Trustee

Date: March 31, 2023