

**ARTICLE V**  
**REPRESENTATIONS AND WARRANTIES**

To induce the Lender to enter into this Agreement and to make the Loans and to issue Letters of Credit hereunder, the Borrower hereby represents and warrants to the Lender that:

**Section 5.01 Existence; Compliance With Laws.** Each Loan Party (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (b) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except to the extent that the failure to qualify in such jurisdiction could not reasonably be expected to have a Material Adverse Effect, and (c) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

**Section 5.02 Power; Authorization; Enforceability.**

(a) Each Loan Party has the power and authority, and the legal right, to own or lease and operate its property, and to carry on its business as now conducted and as proposed to be conducted, and to execute, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain Loans hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowing of Loans on the terms and conditions contained herein. No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect, and (ii) the filings referred to in Section 4.01(d). Each Loan Document has been duly executed and delivered by each Loan Party party thereto.

(b) This Agreement constitutes, and each other Loan Document when delivered hereunder will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

**Section 5.03 No Contravention.** The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowing of Loans hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Loan Party and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or assets pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Loan Documents). No Requirement of Law or Contractual Obligation applicable to any Loan Party could reasonably be expected to have a Material Adverse Effect.

**Section 5.04 Financial Statements.**

(a) The consolidated balance sheets of the Borrower and its Subsidiaries as at June 30, 2017, and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, audited by Moss Adams, LLP, present fairly the consolidated financial condition of the Borrower and its Subsidiaries as at such date, and the consolidated results of their operations and their consolidated cash flows for the fiscal year then ended, in accordance with GAAP.

(b) The unaudited consolidated balance sheets of the Borrower and its Subsidiaries as at March 31, 2018, and the related unaudited consolidated statements of income and of cash flows for the year-to-date period ended on such date, duly certified by a Responsible Officer of the Borrower, present fairly the consolidated financial condition of the Borrower and its Subsidiaries as at such date, and the consolidated results of their operations and their consolidated cash flows for year-to-date period then ended, in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes).

**Section 5.05 No Material Adverse Effect.** Since March 31, 2018, no development or event has occurred that has had or could reasonably be expected to have a Material Adverse Effect.

**Section 5.06 No Litigation.** No action, suit, litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or threatened by or against any Loan Party or against any of its property or assets (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

**Section 5.07 No Default.** No Default or Event of Default has occurred and is continuing and no default has occurred and is continuing under or with respect to any Contractual Obligation of the Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect.

### **Section 5.08 Ownership of Property; Liens.**

(a) Each Loan Party has a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except as permitted by Section 7.02.

(b) The Borrower does not own any real property.

(c) The Borrower has previously provided Lender with a true, correct and complete summary of all leases of real property under which any Loan Party is the lessee, showing the street address, county or other relevant jurisdiction, state, lessor, lessee, expiration date and annual rental cost thereof.

**Section 5.09 Environmental Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) none of the facilities or properties currently or formerly owned, leased or operated by any Loan Party (the “**Properties**”) contain or previously contained, any Hazardous Materials in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could result in liability under, any Environmental Law;

(b) no Loan Party has received any notice of actual or alleged violation, non-compliance or liability regarding compliance with Environmental Laws or other environmental matters or with respect to any of the Properties or the business operated by any Loan Party, nor is there any reason to believe that any such notice will be received or is being threatened;

(c) the Properties and all operations at the Properties are and formerly have been in compliance with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the business operated by any Loan Party;

(d) Hazardous Materials have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could result in liability under, any Environmental Law; no Hazardous Materials have been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could result in liability under, any applicable Environmental Law; and 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 any Loan Party in connection with the Properties or the business operated by any Loan Party, in violation of or in amounts or in a manner that could result in liability under Environmental Laws;

(e) no administrative or governmental action or judicial proceeding is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which any Loan Party is or will be a party with respect to the Properties or the business operated by any Loan Party, nor are there any decrees or orders or other administrative or judicial

requirements outstanding under any Environmental Law with respect to the Properties or the business operated by any Loan Party; and

- (f) no Loan Party has assumed any liability of any other Person under Environmental Laws.

**Section 5.10 Insurance.** The properties of the Loan Parties are insured with financially sound and reputable insurance companies which are not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party operates. The Borrower has provided Lender with a true, complete and correct summary of all insurance maintained by or on behalf of the Loan Parties as of the Closing Date. Each such insurance policy is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

**Section 5.11 Material Contracts.** No Loan Party is a party to, or bound by, any Material Contract other than the Initial Material Contract. The Borrower has delivered a true, correct and complete copy of the Initial Material Contract to Lender on or before the Closing Date. The Loan Parties are not in breach or in default in any material respect of or under any Material Contract and have not received any notice of the intention of any other party thereto to terminate any Material Contract.

**Section 5.12 Intellectual Property.** Each Loan Party owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted or proposed to be conducted. No material claim has been asserted and is pending by any Person challenging the use, validity or effectiveness of any Intellectual Property, nor is the Borrower aware of any valid basis for any such claim. The use of Intellectual Property by each Loan Party does not materially infringe on the rights of any Person. The listing of Intellectual Property previously provided by Borrower to Lender is a complete list of all intellectual property that is owned by, or licensed to, Borrower or any of its Subsidiaries.

**Section 5.13 Taxes.** Each Loan Party has filed all Federal, state and other tax returns that are required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties, and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (except those that are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Loan Party). No tax Lien has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge. No Loan Party is a party to any tax sharing agreement.

**Section 5.14 ERISA.** Each Plan is in compliance with ERISA, the Code and any Requirement of Law; neither a Reportable Event nor an “accumulated funding deficiency” (within the meaning of §412 or §430 of the Code or §302 of ERISA) has occurred (or is reasonably likely to occur) with respect to any Plan. No Single Employer Plan has terminated, and no Lien has been incurred in favor of the PBGC or a Plan. Based on the assumptions used to fund each Single Employer Plan, the present value of all accrued benefits under each such Plan did not materially exceed the value of the assets of such Plan allocable to such accrued benefit as of the last annual valuation date prior to the date on which this representation is made. Neither any Loan Party nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability that could reasonably be expected to result in a material liability under ERISA, in connection with any Multiemployer Plan. No such Multiemployer Plan is (or is reasonably expected to be) terminated, in Reorganization, or insolvent (within the meaning of §4245 of ERISA).

**Section 5.15 Margin Regulations.** The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Loan will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

**Section 5.16 Investment Company Act.** No Loan Party is or is required to be registered as an “investment company” under the Investment Company Act of 1940, as amended.

**Section 5.17 Subsidiaries; Equity Interests.**

(a) Except as disclosed to the Lender by the Borrower in writing from time to time after the Closing Date:

(i) The Borrower’s principal place of business, jurisdiction of formation and US taxpayer identification number is as set forth on the signature page of this Agreement;

(ii) There are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than performance awards granted to employees, stock options granted to employees or directors and directors’ qualifying shares) relating to any Equity Interest of the Borrower or any Subsidiary, except as created by the Loan Documents.

(b) The Borrower has no Subsidiaries.

(c) No Loan Party has any equity investments in any other corporation or entity.

**Section 5.18 Labor Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect (a) there are no strikes, lockouts or other labor disputes pending or, to the knowledge of the Borrower, threatened against any Loan Party, (b) hours worked by and wages paid to employees of each Loan Party have not violated the Fair Labor Standards Act or any other applicable Requirement of Law, and (c) all payments due in respect of employee health and welfare insurance from any Loan Party have been paid or properly accrued on the books of the relevant Loan Party.

**Section 5.19 Accuracy of Information, Etc.** The Borrower has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No statement or information contained in this Agreement, any other Loan Document, or any other document, certificate or statement furnished by or on behalf of the Borrower to the Lender, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statement contained herein or therein not misleading. The Projections included in such materials are based upon good faith estimates and assumptions believed by the Borrower to be reasonable at the time made; it being recognized by the Lender that such Projections as to future events are not to be viewed as fact and that actual results during the period or periods covered by the Projections may differ from such projected results and such differences may be material.

**Section 5.20 Security Documents.**

(a) The Security Agreement creates in favor of the Lender a legal, valid, continuing and enforceable security interest in the Collateral, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The financing statements, releases and other filings are in appropriate form and have been or will be filed in the offices of the Secretary of State in which each Loan Party is organized. Upon such filings and/or the obtaining of "control" (as defined in the Uniform Commercial Code), the Lender will have a perfected Lien on, and security interest in, to and under all right, title and interest of the grantors thereunder in all Collateral that may be perfected by filing, recording or registering a financing statement or analogous document (including without limitation the proceeds of such Collateral subject to the limitations relating to such proceeds in the Uniform Commercial Code) or by obtaining control, under the Uniform Commercial Code (in effect on the date this representation is made) in each case prior and superior in right to any other Person, except for Liens permitted under Section 7.02.

**Section 5.21 Solvency.** The Borrower and each of the Loan Parties is, and after giving effect to the incurrence of all Debt and obligations incurred in connection herewith will be, Solvent.

**Section 5.22 PATRIOT Act; OFAC and Other Regulations.**

(a) No Loan Party, any of its Subsidiaries or any of the Affiliates or respective officers, directors, brokers or agents of such Loan Party, Subsidiary or Affiliate:

(i) has violated any Anti-terrorism Laws; or

(ii) has engaged in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(b) No Loan Party, any of its Subsidiaries or any of the Affiliates or respective officers, directors, brokers or agents of such Loan Party, Subsidiary or Affiliate that is acting or benefiting in any capacity in connection with the Loans is a Blocked Person.

(c) No Loan Party, any of its Subsidiaries or any of the Affiliates or respective officers, directors, brokers or agents of such Loan Party, Subsidiary or Affiliate acting or benefiting in any capacity in connection with the Loans:

(i) conducts any business or engages in making or receiving any contribution of goods, services or money to or for the benefit of any Blocked Person;

(ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any Anti-terrorism Law; or

(iii) 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.

**ARTICLE VI**

**AFFIRMATIVE COVENANTS**

So long as the Lender has any Revolving Credit Commitment hereunder, or any Loans, Letter of Credit Obligations or any other amounts payable to the Lender hereunder or under any other Loan Document have not been indefeasibly paid in full, the Borrower shall, and shall cause each cause each other Loan Party to (except that, in the case of the covenants set forth in Section 6.01, Section 6.02, and Section 6.03, the Borrower shall furnish all applicable materials to the Lender):

**Section 6.01 Financial Statements.** Furnish to the Lender:

(a) As soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report of the Borrower and its Subsidiaries for such year including a copy of the audited consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, together with an opinion as to such audit report of MOSS ADAMS, LLP or other independent certified public accountants of nationally or regionally recognized standing which does not contain a “going concern” or similar qualification or exception, or qualification arising out of the scope of the audit, together with related consolidating financial statements and

(b) As soon as available and in any event within 30 days after the end of each fiscal quarter of each fiscal year, a copy of the unaudited financial statements of the Borrower prepared in conformity with GAAP (except for the omission of footnotes and prior period comparative data required by GAAP and for variations from GAAP which in the aggregate are not material) consisting of a consolidated balance sheet as of the close of such month and related consolidated statements of operations and retained earnings and cash flow for such month and from the beginning of such fiscal year to the end of such month and comparative figures for the corresponding portion of the preceding fiscal year together with related consolidating financial statements and the other monthly reports required by the Lender, in each case certified by a Responsible Officer of the Borrower.

All such financial statements shall be complete and correct and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or Responsible Officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

**Section 6.02 Certificates; Other Information.** The Borrower shall furnish the following to the Lender:

(a) As soon as available, and in any event within 15 days after the end of each month, a true, complete and correct copy of the account statement for the Pledged Account;

(b) As soon as available, and in any event within 120 days after the end of each fiscal year of the Borrower, a compliance certificate (the “Compliance Certificate”) in the form provided by the Lender attached hereto as Exhibit C, signed by a Responsible Officer of the Borrower (i) containing all information and calculations necessary for determining compliance by the Loan Parties with the provisions of this Agreement as of the last day of such fiscal year of the Borrower and (ii) stating that each Loan Party during such period has observed and performed all of the covenants and other



agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such officer has not obtained any knowledge of any Default or Event of Default except as specified in such certificate; and

(c) As soon as available, and in any event within 15 Business Days after the end of each quarter of each fiscal year, a borrowing base certificate (the “Borrowing Base Certificate”) in the form provided by the Lender attached hereto as Exhibit D showing the Borrowing Base as of the last Business Day of the previous month, accompanied by a detailed accounts receivable aging, a detailed inventory report, a detailed accounts payable aging and other supporting reports as may be required by the Lender and the Borrowing Base Certificate and such supporting reports shall be in a form acceptable to the Lender and certified as accurate by a Responsible Officer of the Borrower; provided, that, in any month where the Borrower requests borrowing or has borrowings outstanding under the Revolving Credit Note, the Borrower will be required to provide a current Borrowing Base Certificate as of the last Business Day of the previous month, accompanied by a detailed accounts receivable aging, a detailed inventory report, a detailed accounts payable aging and other supporting reports as may be required by the Lender, within 15 Business Days after the end of such month;

(d) Promptly, and in any event within 30 days thereafter, to the extent not previously disclosed to the Lender, a description of any change in the jurisdiction of organization of any Loan Party;

(e) Promptly after the same are sent, copies of all proxy statements, financial statements and reports that any Loan Party sends to any of its securities holders, and copies of all reports and registration statements that any Loan Party files with the SEC or any national securities exchange;

(f) Promptly upon receipt of the same, copies of all notices, requests and other documents received by any Loan Party under or pursuant to any Material Contract or instrument, indenture, loan agreement regarding or related to any breach or default by any party thereto or any other event that could materially impact the value of the interests or the rights of any Loan Party or otherwise have a Material Adverse Effect and copies of the foregoing and such information and reports regarding Material Contracts and such instruments, indentures, loan agreements as the Lender may reasonably request from time to time;

(g) By not later than January 30 and July 30, of each year, commencing January 30, 2019, a certificate in the form of Exhibit E attached hereto, signed by a Responsible Officer of the Borrower, certifying that the Borrower was in full compliance with the Initial Material Contract for the six-month periods respectively ending on December 30 and June 30 immediately preceding such dates of delivery;

(h) A copy of the Borrower’s annual plan as approved by the Borrower’s Board of Directors, within 15 days after the date of such approval; and

(i) Such other information respecting the business, condition (financial or otherwise), operations, performance, properties or prospects of any Loan Party as the Lender may from time to time request.

**Section 6.03 Notices.** Promptly and in any event within ten days give notice to the Lender of:

- (a) Upon Borrower's knowledge of the occurrence of any Default or Event of Default;
- (b) Any (i) default or event of default under any Material Contract of any Loan Party or (ii) litigation, investigation or proceeding that may exist at any time between any Loan Party and any Governmental Authority;
- (c) Any litigation or proceeding against any Loan Party (i) in which the amount involved is at least \$500,000 and not covered in full by insurance, (ii) in which injunctive or similar relief is sought, or (iii) which relates to any Loan Document;
- (d) The following events, as soon as possible and in any event within ten (10) days after the Borrower or any of its ERISA Affiliates knows or has reason to know thereof:
  - (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or any Multiemployer Plan; or
  - (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any ERISA Affiliate or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan;
- (e) The occurrence of any Environmental Action against or of any noncompliance by any Loan Party with any Environmental Law or relevant permit; and
- (f) Any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of an executive officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the relevant Loan Party proposes to take with respect thereto.

**Section 6.04 Maintenance of Existence; Compliance.**

- (a) (i) Preserve, renew and maintain in full force and effect its corporate or organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted under this Agreement.