

**Fill in this information to identify the case:**Debtor Wellmade Floor Coverings International, Inc.United States Bankruptcy Court for the: Northern District of Georgia  
(State)Case number 25-58764**Modified Official Form 410  
Proof of Claim****04/25**

**Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.**

**Filers must leave out or redact** information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

**Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.**

**Part 1: Identify the Claim**

1. Who is the current creditor?	<u>Flooring Investments LLC</u> Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?  Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<b>Where should notices to the creditor be sent?</b> <u>Flooring Investments LLC</u> <u>Joe Brotherton</u> <u>2900 NE Blakeley St. Suite B</u> <u>Seattle, WA 98105, USA</u>  Contact phone _____ Contact email <u>joe@btfamilyadvisors.com</u> <b>(see summary page for notice party information)</b> Uniform claim identifier (if you use one): _____	<b>Where should payments to the creditor be sent? (if different)</b>   Contact phone _____ Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

<b>6. Do you have any number you use to identify the debtor?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:   __ __ __ __
<b>7. How much is the claim?</b>	\$ <u>3960459.71</u> <b>Does this amount include interest or other charges?</b> <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
<b>8. What is the basis of the claim?</b>	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.  <u>Money loaned via promissory note</u>
<b>9. Is all or part of the claim secured?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <b>Nature or property:</b> <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____  <b>Basis for perfection:</b> _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  <b>Value of property:</b> \$ _____ <b>Amount of the claim that is secured:</b> \$ _____ <b>Amount of the claim that is unsecured:</b> \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)  <b>Amount necessary to cure any default as of the date of the petition:</b> \$ _____  <b>Annual Interest Rate</b> (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
<b>10. Is this claim based on a lease?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. <b>Amount necessary to cure any default as of the date of the petition.</b> \$ _____
<b>11. Is this claim subject to a right of setoff?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. Check all that apply:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Amount entitled to priority

\$ \_\_\_\_\_

☐ Up to \$3,800\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ \_\_\_\_\_

☐ Wages, salaries, or commissions (up to \$17,150\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ \_\_\_\_\_

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ \_\_\_\_\_

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ \_\_\_\_\_

☐ Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/28 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)?

☒ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ \_\_\_\_\_

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(3) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 11/19/2025  
MM / DD / YYYY

/s/ Joseph Brotherton  
Signature

Print the name of the person who is completing and signing this claim:

Name Joseph Brotherton  
First name Middle name Last name

Title Manager

Company Flooring Investments LLC  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address \_\_\_\_\_

Contact phone \_\_\_\_\_ Email \_\_\_\_\_



# Verita (KCC) ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (866) 812-2297 | International (781) 575-4050

<b>Debtor:</b> 25-58764 - Wellmade Floor Coverings International, Inc. <b>District:</b> Northern District of Georgia, Atlanta Division		
<b>Creditor:</b> Flooring Investments LLC Joe Brotherton 2900 NE Blakeley St. Suite B  Seattle, WA, 98105 USA <b>Phone:</b> <b>Phone 2:</b> <b>Fax:</b> <b>Email:</b> joe@btfamilyadvisors.com	<b>Has Supporting Documentation:</b> Yes, supporting documentation successfully uploaded <b>Related Document Statement:</b>	
	<b>Has Related Claim:</b> No <b>Related Claim Filed By:</b>	
	<b>Filing Party:</b> Authorized agent	
<b>Disbursement/Notice Parties:</b> Mark Marani 3350 Riverwood Parkway, Suite 1600  Atlanta, GA, 30339 <b>Phone:</b> <b>Phone 2:</b> <b>Fax:</b> <b>E-mail:</b> MMarani@cpmtlaw.com		
<b>Other Names Used with Debtor:</b>	<b>Amends Claim:</b> No <b>Acquired Claim:</b> No	
<b>Basis of Claim:</b> Money loaned via promissory note	<b>Last 4 Digits:</b> No	<b>Uniform Claim Identifier:</b>
<b>Total Amount of Claim:</b> 3960459.71	<b>Includes Interest or Charges:</b> Yes	
<b>Has Priority Claim:</b> No	<b>Priority Under:</b>	
<b>Has Secured Claim:</b> No <b>Amount of 503(b)(9):</b> No <b>Based on Lease:</b> No <b>Subject to Right of Setoff:</b> No	<b>Nature of Secured Amount:</b> <b>Value of Property:</b> <b>Annual Interest Rate:</b> <b>Arrearage Amount:</b> <b>Basis for Perfection:</b> <b>Amount Unsecured:</b>	
<b>Submitted By:</b> Joseph Brotherton on 19-Nov-2025 1:33:03 p.m. Pacific Time <b>Title:</b> Manager <b>Company:</b> Flooring Investments LLC		

**Flooring Investments LLC**  
**Wellmade Floor Coverings International Inc.**  
**Promissory Note Accounting**  
**Prepared November 18, 2025**

<b>Date</b>	<b>Accrued Interest</b>	<b>Balance</b>
12/29/2021		\$ 3,000,000.00
12/31/2022	\$ 241,315.07	\$ 3,241,315.07
12/31/2023	\$ 259,305.21	\$ 3,500,620.27
12/31/2024	\$ 280,816.88	\$ 3,781,437.16
8/4/2025 *	\$ 179,022.56	\$ 3,960,459.71
<b>Total</b>	<b>\$ 960,459.71</b>	<b>\$ 3,960,459.71 **</b>

\* Interest calculated through petition date of August 4, 2025

\*\*Claimant reserves the right to assert a claim for post petition interest.

**THIS CONVERTIBLE PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE OR DISPOSITION MAY BE EFFECTED EXCEPT IN COMPLIANCE WITH RULE 144 UNDER SAID ACT OR AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.**

**CONVERTIBLE PROMISSORY NOTE**

\$3,000,000.00

December 29, 2021  
Portland, Oregon

For value received, Wellmade Floor Coverings International, Inc., an Oregon corporation (the “**Company**”), promises to pay to Flooring Investments LLC or its assigns (“**Holder**”) the principal sum of \$3,000,000.00 together with accrued and unpaid interest thereon, each due and payable on the date and in the manner set forth below.

This convertible promissory note (this “**Note**”) is issued as part of a series of similar convertible promissory notes (collectively, the “**Notes**”) pursuant to the terms of that certain Convertible Promissory Note Purchase Agreement (as amended from time to time, the “**Agreement**”) dated as of December 29, 2021 (the “**Agreement Date**”) among the persons and entities listed on the Schedule of Purchasers attached to the Agreement (collectively, the “**Holders**”) and the Company. Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

**1. Repayment.** All payments of interest and principal shall be in lawful money of the United States of America and shall be made pro rata among all Holders. All payments shall be applied first to accrued interest, and thereafter to principal. The outstanding principal amount of this Note, together with all accrued but unpaid interest thereon, shall be due and payable on December 31, 2023 (the “**Maturity Date**”).

**2. Interest Rate.** The Company promises to pay simple interest on the outstanding principal amount hereof from the date hereof until payment in full, which interest shall be payable at the rate of eight percent (8%) per annum or the maximum rate permissible by law, whichever is less. Interest shall be due and payable on the Maturity Date and shall be calculated on the basis of a 365-day year for the actual number of days elapsed.

**3. Default Rate.** If and so long as any default exists under this note, the interest rate on this Note or any judgment obtained for the collection of this Note shall be increased from the date of default to the lesser of (i) the greater of (A) twelve percent (12%) per annum and (B) the highest interest rate then in effect on any of the Company’s debt payable to lenders, or (ii) the maximum allowed by applicable law.

#### 4. Conversion; Repayment Premium Upon Sale of the Company.

(a) In the event that the Company issues and sells shares of its Equity Securities to investors (the “**Investors**”) on or before the date of the repayment in full of this Note in an equity financing resulting in gross proceeds to the Company of at least \$3,000,000 (excluding the conversion of the Notes and any other convertible securities issued by the Company for capital raising purposes that are then outstanding) (a “**Qualified Financing**”), then the outstanding principal amount of this Note, together with all accrued but unpaid interest thereon, shall automatically convert in whole without any further action by Holder into such Equity Securities at a conversion price (the “**Conversion Price**”) equal to the lesser of (i) seventy-five percent (75%) of the per share price paid by the purchasers of such Equity Securities in the Qualified Financing, and (ii) the price equal to the quotient of \$100,000,000 divided by the aggregate number of outstanding shares of the Company common stock as of immediately prior to the initial closing of the Qualified Financing (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes and any other convertible securities issued by the Company for capital raising purposes that are then outstanding), and otherwise on the same terms and conditions as given to the Investors. Notwithstanding the prior sentence, if the Equity Securities are a series or class of stock with a liquidation preference, Holders will receive a liquidation preference equal to the Conversion Price, plus any accruing dividend on Holder’s Equity Securities, and otherwise will be issued Equity Securities on the same terms and conditions as are applicable to the Qualified Financing investors.

(b) In the event that a Qualified Financing is not consummated prior to the Maturity Date, then, at the election of the Requisite Holders made at least five days prior to the Maturity Date, effective upon the Maturity Date, the outstanding principal balance and any unpaid accrued interest under this Note and each of the other Notes shall be converted into shares of Common Stock of the Company at a conversion price equal to the quotient of \$60,000,000 divided by the aggregate number of outstanding shares of the Company’s Common Stock as of the Maturity Date (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes and any other convertible securities issued by the Company for capital raising purposes that are then outstanding).

(c) If, after aggregation, the conversion of this Note would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, round the number of shares issuable to the Holder down to the nearest whole number of shares.

(d) Holder agrees to surrender this Note to the Company (or to notify the Company or its transfer agent that this Note has been lost, stolen, or destroyed and execute an agreement, in form and substance reasonably satisfactory to the Company, in which Holder agrees to indemnify the Company for, from and against any and all loss suffered or incurred by the Company in connection with the conversion of this Note without the surrender thereof (the “**Lost Note Documentation**”)) as soon as practicable after conversion, and to execute all documents including, if applicable, the stock purchase, investors’ rights, co-sale, voting or other agreements, required to be executed by the Investors (the “**Financing Documents**”). Notwithstanding the foregoing, upon conversion pursuant to Section 4(a), the conversion of this Note shall be deemed to occur automatically without any further action by the Company or the

Holder, and without regard to whether Holder has then delivered to the Company this Note (or the Lost Note Documentation, if applicable), or executed the Financing Documents, if applicable. Holder shall not be entitled to receive any stock certificates representing the shares issuable upon conversion of this Note unless and until Holder has surrendered the original of this Note (or Lost Note Documentation where applicable) and executed all Financing Documents, as applicable.

(e) Notwithstanding any provision of this Note to the contrary, in the event that the Company consummates a Sale of the Company (as defined below) prior to the conversion or repayment in full of this Note, (i) the Company will give Holder at least five days' prior written notice of the anticipated closing date of such Sale of the Company, and (ii) at the closing of such Sale of the Company, the Company shall pay Holder an aggregate amount equal to 1.5 times the aggregate amount of principal and interest then outstanding under this Note in full satisfaction of the Company's obligations under this Note.

(f) For purposes of this Note:

(i) "*Equity Securities*" shall mean the Company's Common Stock, Preferred Stock, or any securities conferring the right to purchase the Company's Common Stock, Preferred Stock or securities convertible into, or exchangeable for (with or without additional consideration), the Company's Common Stock or Preferred Stock, except that such defined term shall not include any security (x) granted, issued and/or sold by the Company to any employee, director or consultant in such capacity, or (y) issued upon the conversion or exercise of any option or warrant outstanding as of the date of this Note.

(ii) "*Sale of the Company*" shall mean (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred; *provided, however*, that a Sale of the Company shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

**5. Maturity.** Unless this Note has been previously converted in accordance with the terms of Sections 4(a) or 4(b) above or satisfied in accordance with the terms of Section 4(e) above, the entire outstanding principal amount and all unpaid accrued interest shall become fully due and payable on the Maturity Date.



**6. Expenses.** In the event of any default hereunder, the Company shall pay all reasonable attorneys' fees and court costs incurred by Holder in enforcing and collecting this Note.

**7. Prepayment.** The Company may not prepay all or any portion of the principal amount or accrued interest of this Note prior to the Maturity Date without the consent of the Requisite Holders.

**8. Default.** If there shall be any Event of Default hereunder, at the option of, and upon the declaration of the Requisite Holders and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Section 8(c) or 8(d)), this Note shall accelerate and all principal and unpaid accrued interest shall become immediately due and payable. The occurrence of any one or more of the following shall constitute an Event of Default:

(a) The Company fails to pay timely any of the principal amount due under this Note on the date the same becomes due and payable or any accrued interest or other amounts due under this Note on the date the same becomes due and payable;

(b) The Company shall default in its performance of any covenant under the Agreement or any Note;

(c) The Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or

(d) An involuntary petition is filed against the Company (unless such petition is dismissed or discharged within 60 days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company.

**9. Most Favored Terms.** If, following the date hereof, the Company proposes to issue convertible promissory notes or simple agreements for future equity ("**New Convertibles**") to other investors ("**New Investors**") containing terms that are more favorable to the New Investors than to Holder (with respect to, among other things, interest rate, maturity, investor rights or conversion obligations), the Company will, prior to issuing the New Convertibles, provide Holder with notice of such proposed issuance. Prior to issuing the New Convertibles (but contingent upon such issuance), and at the option of the Requisite Holders, the Company and Holder shall amend this Note to provide Holder with terms substantially identical to the proposed terms of the New Convertibles.

**10. Information Rights.** So long as the Holder holds this Note and/or any of the shares of the Company, the Company shall deliver to the Holder (a) promptly after mailing, copies of all notices or other written communications to the shareholders of the Company, (b) within six (6) months after the end of each fiscal year of the Company, the annual reviewed or audited, as the case may be, financial statements of the Company, and (c) within forty-

five (45) days after the end of each fiscal quarter, the Company's unaudited quarterly financial statements.

**11. Waiver.** The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

**12. Governing Law.** This Note shall be governed by and construed under the laws of the State of Oregon, as applied to agreements among Oregon residents, made and to be performed entirely within the State of Oregon, without giving effect to conflicts of laws principles.

**13. Parity with Other Notes.** The Company's repayment obligation to Holder under this Note shall be on parity with the Company's obligation to repay all Notes issued pursuant to the Agreement. In the event that the Company is obligated to repay the Notes and does not have sufficient funds to repay all the Notes in full, payment shall be made to the Holders of the Notes on a *pro rata* basis. The preceding sentence shall not, however, relieve the Company of its obligations to Holder hereunder.

**14. Modification; Waiver.** Any term of this Note may be amended or waived only with the written consent of the Company and the Requisite Holders.

**15. Assignment.** This Note may be transferred only upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company's obligation to pay such interest and principal.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Convertible Promissory Note to be issued and executed as of the date and year first written above.

WELLMACED FLOOR COVERINGS  
INTERNATIONAL, INC.

By: \_\_\_\_\_  
Ming Chen, President

Holder: Flooring Investments LLC  
Principal Amount of Note: \$3,000,000.00  
Date of Note: December 29, 2021

## MODIFICATION TO CONVERTIBLE PROMISSORY NOTE

THIS MODIFICATION TO CONVERTIBLE PROMISSORY NOTE (this "**Agreement**") is dated as of January 17, 2024 but effective as of December 31, 2023 ("**Effective Date**"), by and between WELLMADE FLOOR COVERINGS INTERNATIONAL, INC., an Oregon corporation (the "**Company**"), and FLOORING INVESTMENTS LLC, a \_\_\_\_\_ ("**Holder**"), is made with reference to the following facts:

### RECITALS

A. Pursuant to that certain Convertible Promissory Note Purchase Agreement dated as of December 29, 2021 by and between the Company and Holder (the "**Note Purchase Agreement**"), Holder agreed to make a loan to the Company in the principal amount of up to THREE MILLION AND NO/100 Dollars (\$3,000,000.00) (the "**Loan**").

B. The Loan is evidenced by that certain Convertible Promissory Note dated as of December 29, 2021 in the principal amount of up to THREE MILLION AND NO/100 Dollars (\$3,000,000.00) made by the Company to Holder (as the same may be amended from time to time, the "**Note**").

C. The Company and Holder desire to modify the terms of the Note as expressly set forth herein.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Recitals.** The recitals set forth above are hereby incorporated into this Agreement.
2. **Modification to Definition of Maturity Date.** As of the Effective Date, the second sentence of Section 1 of the Note is hereby amended by deleting "December 31, 2023" and replacing it with "December 31, 2024", such that the definition of the "Maturity Date" set forth in Section 1 of the Note is December 31, 2024.
3. **Outstanding Principal Balance.** The parties hereby acknowledge and agree that, as of the Effective Date, the outstanding principal balance of the Note is THREE MILLION AND NO/100 Dollars (\$3,000,000.00).
4. **Representations and Warranties of the Company.** The Company hereby represents and warrants to Holder as follows:
  - a) There has been no default by Holder under and pursuant to the terms of the Note or the Note Purchase Agreement as of the Effective Date.
  - b) The representations and warranties made by the Company in Section 3 of the Note Purchase Agreement remain true, accurate and complete in all material respects as of the Effective Date.
5. **Representations, Warranties and Covenants of Holder.** Holder hereby represents, warrants and covenants to the Company as follows:

- a) There has been no default by the Company under and pursuant to the terms of the Note or the Note Purchase Agreement as of the Effective Date.
- b) The representations and warranties made by Holder in Section 4 of the Note Purchase Agreement remain true, accurate and complete in all material respects as of the Effective Date.
- c) Holder remakes and reaffirms the covenants of Holder set forth in Section 5 of the Note Purchase Agreement as of the Effective Date.

6. **Entire Agreement; Amendments.** This Agreement, the Note and the Note Purchase Agreement contain the entire agreement between the Company, on the one hand, and Holder, on the other hand, with respect to the transactions set forth therein, and all prior negotiations, commitments, understandings and agreements are superseded by this Agreement, the Note and the Note Purchase Agreement. No amendment, modification, supplement, extension, termination or waiver of any provision of this Agreement, the Note or the Note Purchase Agreement shall be effective unless in writing and signed by the Company and Holder, and then only in the specific instance and for the specific purpose given.

7. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Georgia, without regard to its conflict of laws principles.

8. **Section Headings.** The section headings of this Agreement are included for convenience only, and shall not affect the construction or interpretation of any provision of this Agreement.

9. **Binding Effect.** This Agreement, the Note and the Note Purchase Agreement shall be binding upon, and shall inure to the benefit of, Holder and the Company and their respective successors and assigns, or heirs and personal representatives, as applicable, subject to any provision of the Note and the Note Purchase Agreement restricting transfers thereof.

10. **Attorneys' Fees.** If any action or other proceeding is brought to interpret or enforce any provision of this Agreement, the Note or the Note Purchase Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and expenses. Notwithstanding anything contained in this Agreement, the Note or the Note Purchase Agreement to the contrary, "reasonable attorneys' fees and expenses" or words of similar import shall in all events mean reasonable attorneys' fees actually incurred at customary hourly rates actually charged for the work performed, without the application of the statutory presumption established by O.C.G.A. § 13-1-11.

11. **Severability of Provisions.** No provision of this Agreement, the Note or the Note Purchase Agreement that is held to be inoperative, unenforceable and invalid shall affect the remaining provisions, and all provisions of this Agreement, the Note and the Note Purchase Agreement are hereby declared to be severable.

12. **No Other Amendments.** Except as expressly amended herein, the Note and the Note Purchase Agreement remain unmodified and in full force and effect. To the extent any of the terms of the Note or the Note Purchase Agreement conflict with the terms of this Agreement, the terms of this Agreement shall supersede and control.

13. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Copies of originals, including copies delivered by PDF or other electronic means, shall have the same import and effect as original counterparts and shall be valid, enforceable and binding for the purposes of this Agreement.

*[Remainder of page intentionally left blank; signature pages follow]*

IN WITNESS WHEREOF, this Agreement has been executed by the Company and Holder as of the date set forth above.

**THE COMPANY:**

**WELLMADE FLOOR COVERINGS INTERNATIONAL, INC.,**  
an Oregon corporation

By: Allen Chen  
Allen Chen (Jan 21, 2024 12:38 PST)  
Ming Chen, President

[SIGNATURE PAGE OF HOLDER FOLLOWS]

[Signature Page to Modification to Convertible Promissory Note]

**HOLDER:**

**FLOORING INVESTMENTS LLC,**  
a \_\_\_\_\_ limited liability company

By: Joseph Brotherton  
Joseph Brotherton, Manager





## SECOND MODIFICATION TO CONVERTIBLE PROMISSORY NOTE

THIS SECOND MODIFICATION TO CONVERTIBLE PROMISSORY NOTE (this “**Agreement**”) is dated as of December 31, 2024 (“**Effective Date**”), by and between WELLMADE FLOOR COVERINGS INTERNATIONAL, INC., an Oregon corporation (the “**Company**”), and FLOORING INVESTMENTS LLC, a Washington limited liability company (“**Holder**”), is made with reference to the following facts:

### RECITALS

A. Pursuant to that certain Convertible Promissory Note Purchase Agreement dated as of December 29, 2021 by and between the Company and Holder (the “**Note Purchase Agreement**”), Holder agreed to make a loan to the Company in the principal amount of up to THREE MILLION AND NO/100 Dollars (\$3,000,000.00) (the “**Loan**”).

B. The Loan is evidenced by that certain Convertible Promissory Note dated as of December 29, 2021 in the principal amount of up to THREE MILLION AND NO/100 Dollars (\$3,000,000.00) made by the Company to Holder, as amended by that certain Modification to Convertible Promissory Note dated as of January 17, 2024 but effective as of December 31, 2023 by and between the Company and Holder (collectively, the “**Note**”).

C. The Company and Holder desire to modify the terms of the Note as expressly set forth herein.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Recitals.** The recitals set forth above are hereby incorporated into this Agreement.
2. **Modification to Definition of Maturity Date.** As of the Effective Date, the second sentence of Section 1 of the Note is hereby amended by deleting “December 31, 2024” and replacing it with “December 31, 2025”, such that the definition of the “Maturity Date” set forth in Section 1 of the Note is December 31, 2025.
3. **Outstanding Principal Balance.** The parties hereby acknowledge and agree that, as of the Effective Date, the outstanding principal balance of the Note is THREE MILLION AND NO/100 Dollars (\$3,000,000.00).
4. **Representations and Warranties of the Company.** The Company hereby represents and warrants to Holder as follows:
  - a) There has been no default by Holder under and pursuant to the terms of the Note or the Note Purchase Agreement as of the Effective Date.
  - b) The representations and warranties made by the Company in Section 3 of the Note Purchase Agreement remain true, accurate and complete in all material respects as of the Effective Date.

5. **Representations, Warranties and Covenants of Holder.** Holder hereby represents, warrants and covenants to the Company as follows:

a) There has been no default by the Company under and pursuant to the terms of the Note or the Note Purchase Agreement as of the Effective Date.

b) The representations and warranties made by Holder in Section 4 of the Note Purchase Agreement remain true, accurate and complete in all material respects as of the Effective Date.

c) Holder remakes and reaffirms the covenants of Holder set forth in Section 5 of the Note Purchase Agreement as of the Effective Date.

6. **Entire Agreement; Amendments.** This Agreement, the Note and the Note Purchase Agreement contain the entire agreement between the Company, on the one hand, and Holder, on the other hand, with respect to the transactions set forth therein, and all prior negotiations, commitments, understandings and agreements are superseded by this Agreement, the Note and the Note Purchase Agreement. No amendment, modification, supplement, extension, termination or waiver of any provision of this Agreement, the Note or the Note Purchase Agreement shall be effective unless in writing and signed by the Company and Holder, and then only in the specific instance and for the specific purpose given.

7. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Georgia, without regard to its conflict of laws principles.

8. **Section Headings.** The section headings of this Agreement are included for convenience only, and shall not affect the construction or interpretation of any provision of this Agreement.

9. **Binding Effect.** This Agreement, the Note and the Note Purchase Agreement shall be binding upon, and shall inure to the benefit of, Holder and the Company and their respective successors and assigns, or heirs and personal representatives, as applicable, subject to any provision of the Note and the Note Purchase Agreement restricting transfers thereof.

10. **Attorneys' Fees.** If any action or other proceeding is brought to interpret or enforce any provision of this Agreement, the Note or the Note Purchase Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and expenses. Notwithstanding anything contained in this Agreement, the Note or the Note Purchase Agreement to the contrary, "reasonable attorneys' fees and expenses" or words of similar import shall in all events mean reasonable attorneys' fees actually incurred at customary hourly rates actually charged for the work performed, without the application of the statutory presumption established by O.C.G.A. § 13-1-11.

11. **Severability of Provisions.** No provision of this Agreement, the Note or the Note Purchase Agreement that is held to be inoperative, unenforceable and invalid shall affect the remaining provisions, and all provisions of this Agreement, the Note and the Note Purchase Agreement are hereby declared to be severable.

12. **No Other Amendments.** Except as expressly amended herein, the Note and the Note Purchase Agreement remain unmodified and in full force and effect. To the extent any of the terms of the Note or the Note Purchase Agreement conflict with the terms of this Agreement, the terms of this Agreement shall supersede and control.

13. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Copies of originals, including copies delivered by PDF or other electronic means, shall have the same import and effect as original counterparts and shall be valid, enforceable and binding for the purposes of this Agreement.

*[Remainder of page intentionally left blank; signature pages follow]*

IN WITNESS WHEREOF, this Agreement has been executed by the Company and Holder as of the date set forth above.

**THE COMPANY:**

**WELLMADE FLOOR COVERINGS INTERNATIONAL, INC.,**  
an Oregon corporation

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

Ming Chen, President

[SIGNATURE PAGE OF HOLDER FOLLOWS]

**HOLDER:**

**FLOORING INVESTMENTS LLC,**  
a Washington limited liability company

By: 

Name: Joseph Brotherton

Title: Manager

[Signature Page to Modification to Convertible Promissory Note]