

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 22, 2021

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation)

0-27408  
(Commission  
File No.)

33-0684451  
(IRS Employer  
Identification No.)

1910 Opdyke Court, Auburn Hills, MI  
(Address of Principal Executive Offices)

48326  
(Zip Code)

Registrant's telephone number, including area code: (248) 364-7727

333 Westchester Avenue, South Building, Suite 204, White Plains, NY 10604

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.01 par value	SGRP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

SPAR Group, Inc. ("SGRP", or the "Corporation" and together with its subsidiaries, the "Company" or "SPAR Group") has listed its shares of Common Stock (the "SGRP Shares") for trading through the Nasdaq Stock Market LLC ("Nasdaq") under the trading symbol "SGRP" and periodically files reports with the Securities and Exchange Commission ("SEC").

#### **Item 8.01 Other Events.**

On April 10, 2019, the Company repaid and replaced its credit facility with PNC Bank, National Association with a new secured revolving credit facility in the United States and Canada (the "NM Credit Facility") with North Mill Capital, LLC ("NM"), now d/b/a SLR Business Credit. See Note 4 to the Company's Consolidated Financial Statements in its Quarterly Report on form 10-Q for the quarter and period ended September 30, 2020, as filed with the SEC on November 16, 2020.

In order to obtain, document and govern the NM Credit Facility: SGRP and certain of its direct and indirect subsidiaries in the United States and Canada, namely SPAR Marketing Force, Inc. ("SMF"), and SPAR Canada Company ("SCC") and SPAR Canada, Inc., SPAR Acquisition, Inc., SPAR Assembly and Installation, Inc., and SPAR Trademarks, Inc. (together with SGRP, each a "NM Guarantor" and collectively, the "NM Guarantors", and together with SMF and SCC, each a "NM Loan Party" and collectively, the "NM Loan Parties"), entered into eighteen (18) month individual Loan and Security Agreements with NM dated as of April 10, 2019 (as amended by the Modification Agreement defined below, the "NM Loan Agreements"), which governs the obligations of the NM Loan Parties to NM and secures them with pledges of substantially all of the assets of the NM Loan Parties (other than SGRP's foreign subsidiaries, certain designated domestic subsidiaries, and their respective equity and assets).

On March 22, 2021, The NM Loan Parties and NM executed and delivered a Waiver and Second Modification Agreement entered in as of March 22, 2021, and effective as of April 1, 2021 (the "Second Modification Agreement"), pursuant to which NM and the NM Loan Parties agreed to extend the NM Modification Loan Agreements from April 10, 2022, to October 10, 2023, and increased the amounts of the credit facilities for SMF to US\$16.5 million in the USA while maintaining the SCC facility at CDN\$1.5 million in Canada; in addition the Second Modification Agreement increased SMF's borrowing base availability for unbilled receivables to up to 70% for the duration of the agreement, and increased the unbilled cap for SMF to US\$5.5 million from US\$4.5 million. SCC's facility received similar increases. The Second Modification Agreement also reduced the early termination fee from 1.00% to 0.85% of the aggregate US and Canadian advance limits then applicable.

To evidence the increase in the US Revolving Credit Facility, SMF executed and delivered to NM a US\$16.5 million Second Amended and Restated Revolving Credit Master Promissory Note (the "Restated US Note"), which amends, restates, supersedes and replaces the prior US\$ note. To evidence no change in the Canadian Revolving Credit Facility, SCC executed and delivered to NM a CDN\$1.5 million Second Amended and Restated Revolving Credit Master Promissory Note (the "Restated Canadian Note"), which amends, restates, supersedes and replaces the prior CDN\$ note.

The Restated US Note and Restated Canadian Note (together, the "NM Notes") continue to require the NM Borrowers to pay interest on the loans thereunder equal to: (A) Prime Rate designated by Wells Fargo Bank; plus (B) ninety-five hundredths of a percentage point (0.95%) or a minimum of 5.25%. In addition, the Company is paying a facility fee to NM of \$84,000 per year at the basis of \$US 10.5 million of loan balance plus additional fee of \$15,000 for every incremental US\$1 million of loan balance up to US\$16.5 million over the term of the agreement, including such extension, and for the Second Modification Agreement paid NM a fee of \$7,000 and agreed to reimburse NM's legal and documentation fees. On September 30, 2020, the aggregate interest rate under that formula was 6.75% per annum, and the outstanding loan balance was \$11.7 million. Outstanding amounts are classified as short-term debt.

The NM Credit Facility contains certain financial and other restrictive covenants and also limits certain expenditures by the NM Loan Parties, including maintaining a positive trailing EBITDA for each Borrower and limits on capital expenditures and other investments. Taking into effect the waivers in the Modification Agreement, the Company was in compliance of such covenants as of December 31, 2020, and March 22, 2021.

Copies of the Second Modification Agreement and new restated NM Notes are attached to this Current Report on Form 8-K (this "Report") as Exhibits 99.1, 99.2 and 99.3, respectively, and are hereby incorporated herein by reference. The descriptions in this Report of the Second Modification Agreement and new restated NM Notes are qualified in their entirety by such Exhibits.

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## Information Not "Filed"

The information in Item 8.01 of this Report and the Release attached as Exhibit 99.1, to the greatest extent permitted by applicable law, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. Such information, to the extent deemed or determined to have been not "filed" under applicable law, shall not be deemed incorporated by reference in any filing by us under the Securities Act of 1933, as amended (the "Securities Act"), and together with the Exchange Act, and all rules thereunder, the "Securities Laws"), except as shall be expressly set forth by specific reference in such a filing.

## Forward Looking Statements

This Current Report on Form 8-K (this "Current Report") contains "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, the Company, and this Report has been filed by the Corporation with the SEC. "Forward-looking statements" are defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable federal and state securities laws, rules and regulations, as amended (together with the Securities Act and the Exchange Act, "Securities Laws").

All statements (other than those that are purely historical) are forward-looking statements. Words such as "may," "will," "expect," "intend," "believe," "estimate," "anticipate," "continue," "plan," "project," or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Company in this Current Report may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks"); and the potential negative effects of the novel coronavirus and COVID-19 pandemic on the Company's business, the Company's potential non-compliance with the covenants in the NM Loan Agreements, the Company's potential non-compliance with applicable Nasdaq director independence, bid price or other rules, the integration and suitability of the Company's new CEO, the Company's cash flow or financial condition, the Company's cash flow later this year, or the pursuit or achievement of the Company's corporate objectives..

You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Current Report, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, Risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in the Company's common stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Current Report, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

- 99.1 [Second Modification Agreement dated as of March 22, 2021, and effective as of April 1, 2021 \(the "Second Modification Agreement"\), among North Mill Capital, LLC \("NM"\), d/b/a SLR Business Credit, SPAR Group, Inc. \("SGRP"\) and certain of its direct and indirect subsidiaries in the United States and Canada, namely SPAR Marketing Force, Inc. \("SMF"\), and SPAR Canada Company \("SCC"\), and SPAR Canada, Inc., SPAR Acquisition, Inc., SPAR Assembly and Installation, Inc., and SPAR Trademarks, Inc. \(together with SGRP, each a "NM Guarantor" and collectively, the "NM Guarantors", and together with SMF and SCC, each a "NM Loan Party" and collectively, the "NM Loan Parties"\).](#)
  - 99.2 [US\\$16.5 million Second Amended and Restated Revolving Credit Master Promissory Note executed and delivered by SMF to NM and dated as of April 1, 2021.](#)
  - 99.3 [CDN\\$1.5 million Second Amended and Restated Revolving Credit Master Promissory Note executed and delivered by SCC to NM and dated as of April 1, 2021.](#)
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SIGNATURES

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

**SPAR Group, Inc.**

Date: March 29, 2021

By: /s/ Fay DeVriese

Fay DeVriese, Chief Financial Officer

## SECOND MODIFICATION AGREEMENT

**THIS SECOND MODIFICATION AGREEMENT** (this "**Modification Agreement**") is dated as of March 22, 2021 and will be effective as of April 1, 2021, by and among **NORTH MILL CAPITAL LLC**, a Delaware limited liability company, d/b/a SLR Business Credit ("**Lender**"), with a place of business at 821 Alexander Road, Suite 130, Princeton, New Jersey 08540, **SPAR MARKETING FORCE, INC.**, a Nevada corporation ("**US Borrower**"), with its chief executive office located at 1910 Opdyke Court, Auburn Hills, Michigan 48326, and **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia ("**Canadian Borrower**"), with its chief executive office located at 10 Planchet Road, Unit 21, Vaughan, Ontario L4K 2C8.

**RECITALS**

**WHEREAS**, Lender, US Borrower and Canadian Borrower entered into a Loan and Security Agreement dated as of April 10, 2019 (as amended, modified, supplemented, substituted, extended or renewed from time to time, the "**Loan Agreement**") which sets forth the terms and conditions of a US Revolving Credit Facility by Lender to US Borrower and a Canadian Revolving Credit Facility by Lender to Canadian Borrower;

**WHEREAS**, Borrowers have applied to Lender for (a) an eighteen (18) month renewal to October 10, 2023 of the term of the Revolving Credit Facility; (b) an increase in the maximum amount of the US Revolving Credit Facility to Sixteen Million Five Hundred Thousand Dollars (\$16,500,000); (c) a decrease in the Applicable Rate; and (d) the modification of certain other terms and conditions set forth in the Loan Agreement and other Loan Documents; and

**WHEREAS**, Lender has approved the foregoing application of Borrowers on the terms and condition set forth herein.

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the parties hereto adopt the above recitals and agree as follows:

1. **Definitions.** Capitalized terms used herein, but not defined herein, shall have the same meanings ascribed to such terms in the Loan Agreement. The term "Modification Agreement," as defined in the preamble to this Modification Agreement, is incorporated by reference into the Loan Agreement.

2. **Estoppel; Release.** To induce Lender to enter into this Modification Agreement, each Borrower represents and warrants to Lender that it has no defenses, offsets or counterclaims regarding its Obligations under the Loan Agreement and the other Loan Documents to which it is a party. To induce Lender to enter into this Modification Agreement, each Borrower waives and releases and forever discharges Lender and its officers, directors, investors, bank group members, attorneys, agents, and employees from any liability, damage, claim, loss or expense of any kind that it may have against Lender or any of them arising out of or relating to the Obligations. Each Borrower further agrees to indemnify and hold Lender and its officers, directors, investors, bank group members, attorneys, agents and employees harmless from any loss, damage, judgment, liability or expense (including reasonable attorneys' fees) suffered by or rendered against Lender or any of them on account of any claims arising out of or relating to the Obligations, in each case, except to the extent caused by the gross negligence or willful misconduct of the indemnitee or any of its representatives.

3. **Specific Amendments to the Loan Agreement.** Effective as of April 1, 2021, the Loan Agreement is amended in the following particulars:

(a) The definition of **Termination Date** in Section 1.1 (Terms) of the Loan Agreement is hereby modified to read as follows:

**Termination Date** means (a) October 10, 2023 (which represents an eighteen-month extension/renewal of the initial term which would have ended on April 10, 2022 but for such extension with such extended period now being, the **Initial Term**) unless such date is extended pursuant to Section 3.1 hereof, and if so extended on one or more occasions, the last date of the last such extension, or (b) if earlier terminated by Lender pursuant to Section 9.1 hereof, the date of such termination.

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(b) Section 1.1 (Terms) of the Loan Agreement is hereby modified to add the following new defined term thereto in appropriate alphabetical order:

**Second Modification Agreement** means that certain Second Modification Agreement, dated as of March 22, 2021 and effective as of April 1, 2021, among US Borrower, Canadian Borrower and Lender.

(c) The first sentence of Section 2.1(a) (Revolving Advances; Advance Limit) of the Loan Agreement is hereby modified to read as follows:

Upon the request of US Borrower made at any time from and after the date hereof until the Termination Date, and so long as no Event of Default has occurred and is continuing, Lender may, in its Good Faith discretion, make Advances in Dollars to US Borrower under a revolving credit facility (the **US Revolving Credit Facility**) in an amount up to, so long as Dilution is less than three percent (3%), the sum of (a) up to eighty-five percent (85%) of the aggregate outstanding amount of Eligible Accounts of US Borrower plus (b) (i) up to seventy percent (70%) of Eligible Unbilled Accounts of US Borrower or (ii) Five Million Five Hundred Thousand Dollars (\$5,500,000), whichever is less; provided, however, in no event at any time shall the maximum aggregate principal amount outstanding under the US Revolving Credit Facility exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) (said Dollar limit being, the **US Advance Limit**).

(d) The first sentence of Section 2.1(b) (Revolving Advances; Advance Limit) of the Loan Agreement is hereby modified to read as follows:

Upon the request of Canadian Borrower made at any time from and after the date hereof until the Termination Date, and so long as no Event of Default has occurred and is continuing, Lender may, in its Good Faith discretion, make Advances in Canadian Dollars to Canadian Borrower under a revolving credit facility (the **Canadian Revolving Credit Facility**) in an amount up to, so long as Dilution is less than three percent (3%), the sum of (a) up to eighty-five percent (85%) of the aggregate outstanding amount of Eligible Accounts of Canadian Borrower plus (b) (i) up to seventy percent (70%) of Eligible Unbilled Accounts of Canadian Borrower or (ii) Six Hundred Thousand Dollars (\$600,000), whichever is less; provided, however, in no event at any time shall the maximum aggregate principal amount outstanding under the Canadian Revolving Credit Facility exceed One Million Five Hundred Thousand Canadian Dollars (CDN\$1,500,000) (said Canadian Dollar limit being, the **Canadian Advance Limit**).

(e) The first sentence of Section 2.4(a) (Interest) of the Loan Agreement is hereby modified to read as follows:

Except where specified to the contrary in the Loan Documents, interest shall accrue on the Daily Balance at the per annum rate of ninety-five hundredths of a percentage point (0.95%) above the Prime Rate in effect from time to time, but not less than five and one-quarter percent (5.25%) per annum (the **Applicable Rate**).

(f) Section 2.7(a) (Facility Fee) of the Loan Agreement is hereby modified to read as follows:

(a) (i) For the Initial Term, US Borrower shall pay to Lender a Facility Fee equal to eight tenths of one percent (0.80%) of Ten Million Five Hundred Thousand Dollars (\$10,500,000). \$7,000 of such Facility Fee shall be paid simultaneously with the execution of the Second Modification Agreement, and the remaining amount shall be paid in installments of like amount on the first (1st) day of each month thereafter until paid in full.

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(ii) In addition, if the amount owed under the US Revolving Credit Facility during the Initial Term (A) exceeds Ten Million Five Hundred Thousand Dollars (\$10,500,000), but is equal to or less than Eleven Million Five Hundred Thousand Dollars (\$11,500,000), an additional Facility Fee of Fifteen Thousand Dollars (\$15,000) will be charged at the initial occurrence thereof, (B) exceeds Eleven Million Five Hundred Thousand Dollars (\$11,500,000), but is less than or equal to Twelve Million Five Hundred Thousand Dollars (\$12,500,000), an additional Facility Fee of Fifteen Thousand Dollars (\$15,000) will be charged at the initial occurrence thereof, (C) exceeds Twelve Million Five Hundred Thousand Dollars (\$12,500,000), but is less than or equal to Thirteen Million Five Hundred Thousand Dollars (\$13,500,000), an additional Facility Fee of Fifteen Thousand Dollars (\$15,000) will be charged at the initial occurrence thereof, (D) exceeds Thirteen Million Five Hundred Thousand Dollars (\$13,500,000), but is less than or equal to Fourteen Million Five Hundred Thousand Dollars (\$14,500,000), an additional Facility Fee of Fifteen Thousand Dollars (\$15,000) will be charged at the initial occurrence thereof, (E) exceeds Fourteen Million Five Hundred Thousand Dollars (\$14,500,000), but is less than or equal to Fifteen Million Five Hundred Thousand Dollars (\$15,500,000), an additional Facility Fee of Fifteen Thousand Dollars (\$15,000) will be charged at the initial occurrence thereof, or (F) exceeds Fifteen Million Five Hundred Thousand Dollars (\$15,500,000), but is less than or equal to the US Advance Limit (that is, Sixteen Million Five Hundred Thousand Dollars (\$16,500,000)), an additional Facility Fee of Fifteen Thousand Dollars (\$15,000) will be charged at the initial occurrence thereof. Notwithstanding the foregoing, any additional Facility Fee of Fifteen Thousand Dollars (\$15,000) paid in accordance with the prior sentence shall be pro-rated for any period of less than twelve (12) months.

(g) Section 2.7(b)(i) (Facility Fee) of the Loan Agreement is hereby modified to read as follows:

(b) (i) For the Initial Term, Canadian Borrower shall pay to Lender a Facility Fee equal to eight tenths of one percent (0.80%) of One Million Five Hundred Thousand Canadian Dollars (CDN\$1,500,000). \$1,000 of such Facility Fee shall be paid simultaneously with the execution of the Second Modification Agreement, and the remaining amount shall be paid in installments of like amount on the first (1st) day of each month thereafter until paid in full.

(h) The first sentence of Section 3.2 (Termination Fee) of the Loan Agreement is hereby modified to read as follows:

If the Term is terminated by Lender upon the occurrence of an Event of Default or is terminated by Borrowers, other than in compliance with Section 3.1, in view of the impracticability and extreme difficulty of ascertaining actual damages, and by mutual agreement of the parties as to a reasonable calculation of Lender's lost profits, as a result thereof, in addition to payment of all principal, interest, fees, expenses and other Obligations, US Borrower and Canadian Borrower shall pay Lender upon the effective date of such termination a fee in an amount equal to eighty-five hundredths of one percent (0.85%) of the US Advance Limit and eighty-five hundredths of one percent (0.85%) of the Canadian Advance Limit, respectively, if such termination occurs on or prior to the end of the Initial Term.

4. **Amended and Restated Revolving Credit Master Promissory Notes.** To evidence the increase in the US Revolving Credit Facility and the decrease in the Applicable Rate, US Borrower shall execute and deliver to Lender a Second Amended and Restated Revolving Credit Master Promissory Note (the "**Amended and Restated US Note**"), which Amended and Restated US Note shall amend and restate and supersede and replace the Amended and Restated Revolving Credit Master Promissory Note dated as of December 31, 2020 made by US Borrower and payable to the order of Lender and shall not be considered a novation and shall be a Note under the Loan Agreement. To evidence the decrease in the Applicable Rate, Canadian Borrower shall execute and deliver to Lender a Second Amended and Restated Revolving Credit Master Promissory Note (the "**Amended and Restated Canadian Note**"), which Amended and Restated Canadian Note shall amend and restate and supersede and replace the Amended and Restated Revolving Credit Master Promissory Note dated as of December 31, 2020 made by Canadian Borrower and payable to the order of Lender and shall not be considered a novation and shall be a Note under the Loan Agreement.

5. **Conditions to Effectiveness of this Modification Agreement.** As conditions precedent to this Modification Agreement, Borrowers shall deliver, or cause to be delivered to Lender, or Lender shall have received the following, all in form and substance satisfactory to Lender, on or before the date hereof:

(a) This Modification Agreement, duly executed by Borrowers, together with the consent of the Guarantors attached hereto; and

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(b) The Amended and Restated US Note, duly executed by US Borrower, and the Amended and Restated Canadian Note, duly executed by Canadian Borrower.

6. **Reaffirmation of Representations and Warranties.** Each Borrower hereby reaffirms the representations and warranties made by it in the Loan Agreement and all of the other Loan Documents as fully and completely as if set forth herein at length and made anew. All of such representations and warranties are true, correct and complete as of the date hereof (except as to such representations and warranties which are made as of a specified date, in which case such representations and warranties remain true as of such date, and except as to the matters expressly waived hereunder). In addition, each Borrower represents and warrants to Lender that:

(a) No consent or approval of, or exemption by any person is required to authorize, or is otherwise required in connection with the execution and delivery of this Modification Agreement, which has not been obtained and which remains in full force and effect;

(b) Such Borrower has the power to execute, deliver and carry out this Modification Agreement and all documents executed in connection herewith, and this Modification Agreement and such other Loan Documents have been duly authorized by all requisite organizational action and are valid, binding and enforceable as against such Borrower in accordance with their terms;

(c) No material adverse change in the financial condition of such Borrower has occurred since the date of the most recent financial statements of such Borrower submitted to Lender, and the information contained in said statements and reports is true and correctly reflects the financial condition of such Borrower as of the dates of the statements and reports, and such statements and reports have been prepared in accordance with GAAP and do not contain any material misstatement of fact or omit to state any facts necessary to make the statements contained therein not misleading; and

(d) No default or Event of Default exists under the Loan Agreement.

7. **Reaffirmation of Covenants.** Each Borrower hereby reaffirms the affirmative and negative covenants set forth in the Loan Agreement and the other Loan Documents as fully and completely as if set forth herein at length (except as otherwise revised herein), and agrees that such covenants shall remain in full force and effect until payment in full of the Obligations.

8. **Reaffirmation of Security Interests and Liens.** Each Borrower hereby confirms the security interests and liens granted by such Borrower to Lender in, to and under the Collateral in accordance with the Loan Agreement and other Loan Documents as security for its Obligations to Lender and acknowledges that such security interests shall continue unimpaired and in full force and effect. Each Borrower represents and warrants that, as of the date hereof, there are no claims, setoffs or defenses to Lender's exercise of any rights or remedies available to it as a creditor in realizing upon such assets under the terms and conditions of the Loan Agreement and the other Loan Documents and the security interests and liens in favor of Lender on such assets shall cover and secure all of such Borrower's existing and future Obligations to Lender, as increased and modified by this Modification Agreement.

9. **Miscellaneous.**

(a) Each Borrower agrees to pay any and all fees and expenses, including reasonable counsel fees (including allocated fees of in-house counsel) incurred by Lender in connection with the preparation and execution of this Modification Agreement and all other documents executed in connection herewith.

(b) This Modification Agreement is intended to supplement and modify the Loan Agreement and the rights and obligations of the parties under the Loan Agreement shall not in any way be vacated, modified or terminated except as herein provided. All terms and conditions contained in each and every agreement or promissory note or other evidence of indebtedness of Borrowers to Lender are incorporated herein by reference. If there is a conflict between any of the provisions heretofore entered into and the provisions of this Modification Agreement, then the provisions of this Modification Agreement shall govern. By entering into this Modification Agreement, Lender is not waiving any Event of Default, if any so exists, or any of its rights and remedies as a consequence thereof. **Each Borrower expressly ratifies and confirms the confession of judgment and waiver of jury trial provisions contained in the Loan Documents.**

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(c) This Modification Agreement will be binding upon an inure to the benefit of each Borrower and Lender and their respective successors and assigns.

(d) This Modification Agreement may be executed and delivered in counterparts and by facsimile or other electronic delivery means, with each such counterpart and facsimile or other electronic delivery means constituting a valid, effective and enforceable agreement.

**10. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER.** THE VALIDITY OF THIS MODIFICATION AGREEMENT, ITS CONSTRUCTION, INTERPRETATION AND ENFORCEMENT AND THE RIGHTS OF THE PARTIES HERETO SHALL BE DETERMINED UNDER, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW JERSEY, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE PARTIES HERETO AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS MODIFICATION AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS LOCATED IN THE COUNTY OF MERCER, STATE OF NEW JERSEY, THE FEDERAL COURTS WHOSE VENUE INCLUDES THE STATE OF NEW JERSEY OR AT THE SOLE OPTION OF LENDER, IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. **EACH LOAN PARTY AND LENDER EACH WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, THE RIGHT TO A TRIAL BY JURY** IN ANY PROCEEDING UNDER THIS MODIFICATION AGREEMENT OR RELATING TO THE DEALINGS OF LOAN PARTIES AND LENDER AND ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF "FORUM NON CONVENIENS" OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 10.

*[signature page follows]*

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IN WITNESS WHEREOF, the parties hereto have caused this Modification Agreement to be executed and delivered as of the day and year first above written.

**SPAR MARKETING FORCE, INC.**, a Nevada corporation,  
as US Borrower

By: Fay DeVese  
Name: Fay DeVese  
Title: CFO

**SPAR CANADA COMPANY**, an unlimited company  
organized under the laws of Nova Scotia, as Canadian Borrower

By: Fay DeVese  
Name: Fay DeVese  
Title: CFO

**NORTH MILL CAPITAL LLC**

By: Beatriz Hernandez  
Name: Beatriz Hernandez  
Title: Executive Vice President

Signature Page to Second Modification Agreement

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## CONSENT OF GUARANTORS

Each of the undersigned guarantors (collectively, the "**Guarantors**") consents to the provisions of the foregoing Modification Agreement and all prior amendments (if any) to the Loan Agreement and confirms and agrees that: (a) such Guarantor's obligations under its respective guaranty dated April 10, 2019 (as amended, modified, supplemented, substituted, extended or renewed, from time to time, each a "**Guaranty**") relating to the Obligations mentioned in the Loan Agreement, as increased and modified by the Modification Agreement shall be unimpaired by the Modification Agreement; (b) such Guarantor has no defenses or setoffs, counterclaims, discounts, or charges of any kind against Lender, its officers, directors, investors, bank group members, employees, agents or attorneys with respect to its Guaranty; and (c) all of the terms, conditions, and covenants in its Guaranty remain unaltered and in full force and effect and are hereby ratified and confirmed and apply to the Obligations, as amended by the Modification Agreement. Each Guarantor certifies that all representations and warranties made in its Guaranty are true and correct on the date hereof (except as to such representations and warranties which are made as of a specified date, in which case such representations and warranties remain true as of such date). Each Guarantor acknowledges and agrees that its obligations under its Guaranty include, without limitation, its guaranty of the payment and performance obligations of Borrowers under the Loan Agreement, as increased and modified, and the Notes evidencing the same. Each Guarantor acknowledges and confirms the cross-default and cross-collateralization provisions of the Loan Agreement, as modified by the Modification Agreement. **Each Guarantor expressly ratifies and confirms the confession of judgment and waiver of jury trial provisions contained in the Guaranty.**

[signature page follows]

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WITNESS the due execution hereof as a document under seal, as of the date of this Modification Agreement, intending to be legally bound hereby.

**SPAR GROUP, INC.**, a Delaware corporation,  
as a Guarantor

By: Fany DeVrese  
Name: Fany DeVrese  
Title: CFO

**SPAR ACQUISITION, INC.**, a Nevada corporation,  
as a Guarantor

By: Fany DeVrese  
Name: Fany DeVrese  
Title: CFO

**SPAR CANADA, INC.**, a Nevada corporation,  
as a Guarantor

By: Fany DeVrese  
Name: Fany DeVrese  
Title: CFO

**SPAR TRADEMARKS, INC.**, a Nevada corporation,  
as a Guarantor

By: Fany DeVrese  
Name: Fany DeVrese  
Title: CFO

**SPAR ASSEMBLY & INSTALLATION, INC.**, a  
Nevada corporation, as a Guarantor

By: Fany DeVrese  
Name: Fany DeVrese  
Title: CFO

**SECOND AMENDED AND RESTATED REVOLVING CREDIT MASTER  
PROMISSORY NOTE**

\$16,500,000.00

Princeton, New Jersey

April 1, 2021

**FOR VALUE RECEIVED**, the undersigned **SPAR MARKETING FORCE, INC.**, a Nevada corporation ("**Borrower**"), promises to pay to the order of **NORTH MILL CAPITAL LLC**, a Delaware limited liability company, d/b/a SLR Business Credit ("**Lender**"), at 821 Alexander Road, Suite 130, Princeton, New Jersey 08540, or such other address as Lender may notify Borrower, such sum up to Sixteen Million Five Hundred Thousand and 00/100 Dollars (\$16,500,000.00), together with interest as hereinafter provided, as may be outstanding on Advances by Lender to Borrower under Section 2.1(a) of the Loan and Security Agreement dated April 10, 2019, by and among Lender, Borrower and **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia (as amended, modified, supplemented, substituted, extended or renewed from time to time, the "**Loan Agreement**"). This instrument, as amended, modified, supplemented, substituted, extended or renewed from time to time, may be referred to as the "**Note**". Capitalized terms not otherwise defined herein have the meanings set forth in the Loan Agreement. The Loan Agreement is incorporated herein as though fully set forth, and Borrower acknowledges its reading and execution thereof. In the event of any conflict or inconsistency between this Note and the Loan Agreement, the applicable provision of the Loan Agreement shall control, govern and be given effect. The principal amount owing hereunder shall be paid to Lender on the Termination Date, which is currently October 10, 2023, or as may otherwise be provided for in the Loan Agreement.

On the first day of each calendar month hereafter, Borrower shall pay to Lender accrued interest, computed on the basis of a 360 day year for the actual number of days elapsed, on the Daily Balance, at the per annum rate of ninety-five hundredths of a percentage point (0.95%) above the Prime Rate in effect from time to time, but not less than five and one-quarter percent (5.25%) per annum. If there is a change in the Prime Rate, the rate of interest on the Daily Balance shall be changed accordingly as of the date of the change in the Prime Rate, without notice to Borrower.

To secure the payment of this Note and the Obligations, Borrower has granted to Lender a continuing security interest in and lien on the Collateral.

In addition to all remedies provided by law upon default on payment of this Note, or upon an Event of Default, Lender may, at its option:

- (1) declare this Note and the Obligations immediately due and payable;
- (2) collect interest on this Note at the Default Rate set forth in the Loan Agreement from the date of such Event of Default, and if this Note is referred to an attorney for collection, collect reasonable attorneys' fees; and
- (3) exercise any and all remedies provided for in the Loan Agreement.

**BORROWER WAIVES PRESENTMENT FOR PAYMENT, PROTEST AND NOTICE OF PROTEST FOR NON-PAYMENT OF THIS NOTE AND TRIAL BY JURY IN ANY ACTION UNDER OR RELATING TO THIS NOTE AND THE ADVANCES EVIDENCED HEREBY. THIS NOTE IS GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.**

This Note amends and restates in its entirety that certain Amended and Restated Revolving Credit Master Promissory Note dated as of December 31, 2020, executed by Borrower in favor of Lender (the "Original Note"). The execution and delivery of this Note is not intended to be a repayment, settlement or other novation of the indebtedness evidenced by the Original Note, or release or otherwise adversely affect any lien or security interest securing such indebtedness.

[signature page follows]

Second Amended and Restated Revolving Credit Master Promissory Note (US Borrower)

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**SPAR MARKETING FORCE, INC.**

By: Fay DeVries  
Name: Fay DeVries  
Title: Chief Financial Officer

Second Amended and Restated Revolving Credit Master Promissory Note (US Borrower)

**SECOND AMENDED AND RESTATED REVOLVING CREDIT MASTER  
PROMISSORY NOTE**

CDN\$1,500,000.00

Princeton, New Jersey

April 1, 2021

**FOR VALUE RECEIVED**, the undersigned **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia ("**Borrower**"), promises to pay to the order of **NORTH MILL CAPITAL LLC**, a Delaware limited liability company, d/b/a SLR Business Credit ("**Lender**"), at 821 Alexander Road, Suite 130, Princeton, New Jersey 08540, or such other address as Lender may notify Borrower, such sum up to One Million Five Hundred Thousand and 00/100 Canadian Dollars (CDN\$1,500,000.00), together with interest as hereinafter provided, as may be outstanding on Advances by Lender to Borrower under Section 2.1(b) of the Loan and Security Agreement dated April 10, 2019, by and among Lender, Borrower and **SPAR MARKETING FORCE, INC.**, a Nevada corporation (as amended, modified, supplemented, substituted, extended or renewed from time to time, the "**Loan Agreement**"). This instrument, as amended, modified, supplemented, substituted, extended or renewed from time to time, may be referred to as this "**Note**". Capitalized terms not otherwise defined herein have the meanings set forth in the Loan Agreement. The Loan Agreement is incorporated herein as though fully set forth, and Borrower acknowledges its reading and execution thereof. In the event of any conflict or inconsistency between this Note and the Loan Agreement, the applicable provision of the Loan Agreement shall control, govern and be given effect. The principal amount owing hereunder shall be paid to Lender on the Termination Date, which is currently April 10, 2022, or as may otherwise be provided for in the Loan Agreement.

On the first day of each calendar month hereafter, Borrower shall pay to Lender accrued interest, computed on the basis of a 360 day year for the actual number of days elapsed, on the Daily Balance, at the per annum rate of ninety-five hundredths of a percentage point (0.95%) above the Prime Rate in effect from time to time, but not less than five and one-quarter percent (5.25%) per annum. If there is a change in the Prime Rate, the rate of interest on the Daily Balance shall be changed accordingly as of the date of the change in the Prime Rate, without notice to Borrower.

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- (3) exercise any and all remedies provided for in the Loan Agreement.

**BORROWER WAIVES PRESENTMENT FOR PAYMENT, PROTEST AND NOTICE OF PROTEST FOR NON-PAYMENT OF THIS NOTE AND TRIAL BY JURY IN ANY ACTION UNDER OR RELATING TO THIS NOTE AND THE ADVANCES EVIDENCED HEREBY. THIS NOTE IS GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.**

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[signature page follows]

Second Amended and Restated Revolving Credit Master Promissory Note (US Borrower)

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**SPAR CANADA COMPANY**

By: Fay DeVriest  
Name: Fay DeVriest  
Title: Chief Financial Officer

Second Amended and Restated Revolving Credit Master Promissory Note (US Borrower)