



Royal Bank of Canada
Commercial Financial Services
226 Main St S
Exeter ON
N0M 1S7

January 13, 2021

Private and Confidential

BULL MARKET FARMS INC.

2633 Albuna Townline
Leamington, ON
N8H 3V5

ROYAL BANK OF CANADA (the “**Bank**”) hereby confirms the credit facilities described below (the “**Credit Facilities**”) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the “**Agreement**”). This Agreement amends and restates without novation the existing agreement dated January 21, 2020 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Bull Market Farms Inc. (the “**Borrower**”)

CREDIT FACILITIES

Facility #1: \$3,500,000.00 revolving demand facility by way of:

a) RBP based loans (“**RBP Loans**”)

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 1.00%

AVAILABILITY

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

Borrowings under this facility are expected to revolve with operating requirements and expected to revolve to zero at least 1 Business Day in each fiscal year.

FACILITY #1 GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "**Facility #1 General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the Facility #1 General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

Facility #2: \$1,500,000.00 revolving demand facility by way of:

- a) RBP Loans

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 1.00%

AVAILABILITY

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

Borrowings under this facility are expected to revolve with operating requirements and expected to revolve to zero at least 1 Business Day in each fiscal year.

FACILITY #2 GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "**Facility #2 General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the Facility #2 General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "**Other Facilities**"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$220,000.00 available in Canadian currency and US currency;
- b) All Royfarm Mortgage Loans outstanding at any time and from time to time.

FEES**One Time Fee:**

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Application Fee: \$7,500.00

Monthly Fees:

Payable in arrears on the same day of each month.

Facility #1 Management Fee: \$350.00

Facility #2 Management Fee: \$150.00

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the “Security”), shall include:

- a) Collateral mortgage in the amount of \$36,000,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 2100 Road 4 East, Kingsville, ON;
- b) Guarantee and postponement of claim on the Bank's form 812 for an unlimited amount signed by Green Rise Capital Corporation;
- c) Postponement and assignment of claim on the Bank's form 918 signed by Green Rise Capital Corporation;
- d) Guarantee and postponement of claim on the Bank's form 812 for an unlimited amount signed by Green Rise Foods Inc.;
- e) Postponement and assignment of claim on the Bank's form 918 signed by Green Rise Foods Inc.;
- f) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- g) Collateral mortgage in the amount of \$18,153,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 1921 Road 3 East, Kingsville, ON.

Upon receipt of the security described in paragraphs d) and e) above, in form and substance satisfactory to the Bank, together with such legal opinions and any other supporting documentation as the Bank may reasonably require, to the full satisfaction of the Bank, such security will replace the security described in paragraphs b) and c) above.

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain, to be measured as at the end of each fiscal year:
 - i. Fixed Charge Coverage, of not less than 1.25:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) annual Compliance Certificate, substantially in the form of Schedule "G" signed by an authorized signing officer of the Borrower, within 120 days of each fiscal year end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- b) annual review engagement financial statements for the Borrower, within 120 days of each fiscal year end;
- c) annual financial forecast for the Borrower, within 120 days of each fiscal year end;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- d) an environmental questionnaire in respect of the Borrower and/or site checklist(s) in respect of all applicable real property on which the Borrower has granted Security to the Bank, on the Bank's standard form(s) and containing findings acceptable to the Bank; and
- e) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- f) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan

Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until February 13, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA

Per: _____
Title: Vice President

RBC Contact: Gary Toupin

/dt

We acknowledge and accept the terms and conditions of this Agreement on this 19th day of January, 2021.

BULL MARKET FARMS INC.

I/We have the authority to bind the Borrower

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this Agreement on this 19th day of January, 2021.

GREEN RISE FOODS INC.

I/We have the authority to bind the Guarantor

\attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Compliance Certificate
- RBC Covarity Dashboard Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or

protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the

Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an **"Event of Default"** which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower

shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential (“**Confidential Information**”). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower’s directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank’s prior written consent.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“Fixed Charge Coverage” means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures (including bearer plants) to Fixed Charges;

“Fixed Charges” means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

“Funded Debt” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Interest Expense” means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Maturity Date” means the date on which a facility is due and payable in full;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Postponed Debt” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and **“Royal Bank Prime”** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

“RBUSTR” and “Royal Bank US Base Rate” each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

“Unfunded Capital Expenditures” means Capital Expenditures not funded by either bank debt or equity proceeds;

“US” means United States of America.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5% , or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

Schedule "G"

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of
fiscal year ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated January 13, 2021 and any amendments thereto, between Bull Market Farms Inc., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of this Agreement or an Event of Default and there is no reason to believe that during the next fiscal year of the Borrower, any such event or circumstance will occur.
4. Fixed Charge Coverage is ____:1, being not less than the minimum required ratio of 1.25:1.
5. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this ____ day of _____, 20__.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

Schedule "H"

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

“User ID” means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

“Virus” means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower’s financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for

any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.



ROYFARM MORTGAGE LOAN AGREEMENT PART 1 - LOAN DETAILS

PREPARATION DATE: **January 18, 2021**

Borrower SRF No. (Primary): **328946181**

BORROWER NAME(S): **BULL MARKET FARMS INC.**

Guarantor SRF No. (Primary):

GUARANTOR NAME(S):

PROPERTY ADDRESS:

LEGAL DESCRIPTION: Part Lot 24 Concession 4 Eastern Division Gosfield As In R1304985, Part 2 Plan 12R17130, Part 2 Plan 12R14675 & Part 2 Plan 12R16045, Town of Kingsville, and County of Essex, Ontario
PT LTS 11-12 CON 2 EASTERN DIVISION GOSFIELD PARTS 1, 2, 3, 12R14705 EXCEPT PARTS 7 TO 9, 12R21492

("Mortgaged Property")

BRANCH ADDRESS: **ROYFARM MORTGAGE CENTRE
36 YORK MILLS RD 4TH FLR
TORONTO ON M2P 0A4**

THIS IS PART 1 of a two-part document (the "Loan Agreement") which together contains the terms and conditions of this Loan. The definitions are included in Part 2 - Terms and Conditions (Form 3489) of the Loan Agreement, but do remember that "**we**", "**our**", "**us**" and the "Bank" mean Royal Bank of Canada; and "**you**" and "**your**" mean the above named borrower(s); "Mortgagor" means the person(s) who has given or will give a Mortgage as security for the Total Debt and, where applicable, "Guarantor" means the above named guarantor(s).

We have agreed to advance to you the Aggregate Principal Amount which is noted below by way of one or more Loans to be advanced in amounts and on dates established by us, provided such Loans (as defined below) are made available at our sole discretion and that we may cancel or restrict the availability of any unused portion of the Aggregate Principal Amount at any time at our sole discretion. All Loans made under this Loan Agreement are collectively referred to as the "Loans". This Loan Agreement amends and restates without novation the existing loan agreement and any amendments thereto. Any amount owing by you to us under such previous agreement is deemed to be a Loan under this Loan Agreement.

You promise to repay the Total Debt as provided below.

Aggregate Principal Amount: **\$35,500,000.00**

Fee:

FIRST LOAN

E-FORM 3488 (09/2020)

Original Principal Amount: **\$17,500,000.00**

Current Principal Balance (if applicable): **\$15,253,580.24**

Reference No: **27880096 -001**

Loan Interest Rate:

☒ **CLOSED FIXED** @ **3.990** % per annum. calculated semi-annually (on the basis of a 365 or 366 day year, as applicable), not in advance, both and after maturity, default and judgement.

This interest rate includes an interest rate reduction of **0.250** %.

☐ **OPEN VARIABLE** Prime Interest Rate % per annum. Calculated not in advance, both and after maturity, default and judgement.

☐ **CLOSED VARIABLE** Prime Interest Rate % per annum. Calculated not in advance, both and after maturity, default and judgement.

Date of Monthly Payments: **30th**

First Payment Date: **July 30, 2018**

Payment Frequency: **monthly**

Interest Adjustment Date: **June 30, 2018**

Maturity date/ Fixed Payment Review Date: **June 30, 2023**

Amount of Each Payment: **\$129,070.65** Blended principal and interest

BUSINESS LOAN INSURANCE PLAN:

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the borrowings that may be eligible.

If the Borrower decides to apply for insurance on the borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such borrowings, and that all such borrowings are not insured under the Policy as at the date of acceptance of this Loan Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved borrowings, such coverage will be applied automatically to all new borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Loan Agreement cannot be used to waive coverage on new borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new borrowings, a different loan account number than the loan account number applicable to the existing borrowings must apply to such new borrowings.

If the Borrower has existing borrowings to which Business Loan Insurance Plan coverage applies, and any new borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new borrowings and that such new borrowings are not insured under the Policy as at the date the Borrower executes this Loan Agreement.

If there are any discrepancies between the insurance information in this Loan Agreement and the Business Loan Insurance Plan documents regarding the borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

IMPORTANT: You acknowledge that we have brought to our attention the terms and conditions set out in Part 2 (Form 3489), a copy of which is attached, which is incorporated into and forms part of this Loan Agreement. You acknowledge receipt of Part 2 (Form 3489) and agree to everything written and in this Part 1 of the Loan Agreement.

Parts 1 and 2 of this document has been drawn up and executed in the English language at the express wish of the parties. Les parties 1 et 2 de ce document ont été rédigées et signées en langue anglaise à la demande expresse des parties (Quebec only).

The undersigned Borrower(s) acknowledge and accept the terms and conditions of this Loan Agreement on the date or dates set out below.

BULL MARKET FARMS INC.January 19th, 2021

Borrower Signature

Date

Borrower Signature

Date

Borrower Signature

Date

Borrower Signature

Date

The undersigned Guarantor(s) confirm to Royal Bank of Canada that they have received copies of and have read and understood this Loan Agreement and that they agree to be bound by all of the obligations referred to therein.

Guarantor Signature

Date

Guarantor Signature

Date

Guarantor Signature

Date

Guarantor Signature

Date

ROYAL BANK OF CANADA

Per:

Title: Vice President

SECOND LOAN

E-FORM 3488 (09/2020)

Original Principal Amount: **\$5,000,000.00**
Current Principal Balance (if applicable): **\$5,000,000.00**
Reference No: **27880096 -002**

Loan Interest Rate:

☒ **CLOSED FIXED** @ **1.950** % per annum. calculated semi-annually (on the basis of a 365 or 366 day year, as applicable), not in advance, both and after maturity, default and judgement.

This interest rate includes an interest rate reduction of **0.650** %.

☐ **OPEN VARIABLE** Prime Interest Rate % per annum. Calculated not in advance, both and after maturity, default and judgement.

☐ **CLOSED VARIABLE** Prime Interest Rate % per annum. Calculated not in advance, both and after maturity, default and judgement.

BUSINESS LOAN INSURANCE PLAN:

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the borrowings that may be eligible.

If the Borrower decides to apply for insurance on the borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such borrowings, and that all such borrowings are not insured under the Policy as at the date of acceptance of this Loan Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved borrowings, such coverage will be applied automatically to all new borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Loan Agreement cannot be used to waive coverage on new borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new borrowings, a different loan account number than the loan account number applicable to the existing borrowings must apply to such new borrowings.

If the Borrower has existing borrowings to which Business Loan Insurance Plan coverage applies, and any new borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new borrowings and that such new borrowings are not insured under the Policy as at the date the Borrower executes this Loan Agreement.

If there are any discrepancies between the insurance information in this Loan Agreement and the Business Loan Insurance Plan documents regarding the borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

Date of Monthly Payments: **30th**
First Payment Date: **January 30, 2021**
Payment Frequency: **monthly**
Interest Adjustment Date: **December 30, 2020**
Maturity date/ Fixed Payment Review Date: **December 30, 2023**
Amount of Each Payment: **\$32,042.36** Blended principal and interest

THIRD LOAN

E-FORM 3488 (09/2020)

Original Principal Amount: **\$13,000,000.00**

Current Principal Balance (if applicable):

Reference No: **27880096 - 003**

Loan Interest Rate:

☒ **CLOSED FIXED** @ **2.850** % per annum. calculated semi-annually (on the basis of a 365 or 366 day year, as applicable), not in advance, both and after maturity, default and judgement.

This interest rate includes an interest rate reduction of **0.450** %.

☐ **OPEN VARIABLE** Prime Interest Rate % per annum. Calculated not in advance, both and after maturity, default and judgement.

☐ **CLOSED VARIABLE** Prime Interest Rate % per annum. Calculated not in advance, both and after maturity, default and judgement.

BUSINESS LOAN INSURANCE PLAN:

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the borrowings that may be eligible.

If the Borrower decides to apply for insurance on the borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such borrowings, and that all such borrowings are not insured under the Policy as at the date of acceptance of this Loan Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved borrowings, such coverage will be applied automatically to all new borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Loan Agreement cannot be used to waive coverage on new borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new borrowings, a different loan account number than the loan account number applicable to the existing borrowings must apply to such new borrowings.

If the Borrower has existing borrowings to which Business Loan Insurance Plan coverage applies, and any new borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new borrowings and that such new borrowings are not insured under the Policy as at the date the Borrower executes this Loan Agreement.

If there are any discrepancies between the insurance information in this Loan Agreement and the Business Loan Insurance Plan documents regarding the borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

Date of Monthly Payments: **1st**

First Payment Date: **March 1, 2021**

Payment Frequency: **monthly**

Interest Adjustment Date: **February 1, 2021**

Maturity date/ Fixed Payment Review Date: **February 1, 2028**

Amount of Each Payment: **\$88,736.57** Blended principal and interest

Royfarm Mortgage Loan Agreement Terms and Conditions

1.00 WHAT THE WORDS MEAN: In the Loan Agreement, please remember that:

"You" and **"your"** mean the borrowers who have signed Part 1 of this Loan Agreement; and

"We", **"our"** and **"us"** mean Royal Bank of Canada

Please also remember that:

"Aggregate Principal Amount" means the total amount of principal you have been authorized to borrow from us under this Loan Agreement that is made up of one or more Loans;

"Borrower" means the borrower named in Part 1 of this Loan Agreement and if more than one person is named therein the term **"Borrower"** means any and all, one or more of them;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by us;

"Fixed Rate Loan" has the meaning given in Section 2.06;

"Guarantor" means the Guarantor named in Part 1 of this Loan Agreement and means a party other than the Borrower who has signed the Mortgage as a Mortgagor or has signed a Guarantee of Mortgage or a guarantee in favour of Royal Bank of Canada. If more than one person is named as a Guarantor in this Loan Agreement, the term "Guarantor" means any and all, one or more of them;

"Interest Adjustment Date" means the date prior to the commencement of the calculation of interest for the regular payments on a Loan when accrued interest, calculated at the Loan Interest Rate on the principal amount(s) advanced, becomes due. The Interest Adjustment Date for each Loan is set out in Part 1 of this Loan Agreement;

"Interest Rate Differential" and **"IRD"** have the meaning given in Section 2.11(a)(iv);

"Loan Agreement" means the agreement created by the form identified by the heading "Royfarm Mortgage Loan Agreement Part 1 - Loan Details" which refers to this "Part 2 - Terms and Conditions" and which is signed by you and us, together with this "Part 2 - Terms and Conditions", as such agreement may be amended from time to time by any Royfarm Mortgage Loan Amendment Agreement signed by you and us;

"Loan" and **"Loans"** mean one of the loans granted pursuant to this Loan Agreement and all of the loans granted pursuant to this Loan Agreement, respectively;

"Loan Interest Rate" means the rate of interest payable in respect of a Loan as stated in Part 1 of this Loan Agreement;

"Maturity Date" means the date upon which the term of a Loan matures;

"Mortgage" means the mortgage given by the Mortgagor as security for the Total Debt;

"Mortgage Interest Rate" means the rate of interest indicated in the Mortgage;

"Mortgaged Property" means the lands and premises that the Mortgagor has charged by way of a mortgage to secure the payment to us of the Aggregate Principal Amount and interest and all other monies payable under this Loan Agreement;

"Mortgagor" means the Borrower and/or the Guarantor and/or the owner of the Mortgaged Property who have given the Mortgage as security for the Borrower's obligations under this Loan Agreement;

"Other Security" has the meaning given in Section 5.02;

"Original Principal Amount" means the principal amount we have advanced to you in respect of the Loans provided in this Loan Agreement;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to us.

"Prime Interest Rate" means the annual rate of interest we announce from time to time as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. If it is necessary for us to prove the Prime Interest Rate in effect at any time, you agree that our written certificate, setting out the Prime Interest Rate at that time, is sufficient proof for that purpose;

"Total Debt" means the total amount you owe us under this Loan Agreement made up of the amount, on any day, of the principal balance outstanding on each of the Loans provided in this Loan Agreement, plus interest thereon at the Loan Interest Rate applicable to each such Loan, plus other amounts and expenses (other than principal and interest) payable pursuant to this Loan Agreement or the Mortgage or any Other Security including, without limitation, any future advances as described in Section 2.10.

"Variable Rate Loan" has the meaning given in Section 2.07.

You agree with us as follows:

2.00 ROYFARM MORTGAGE LOAN

2.01 Loans:

The aggregate of the Original Principal Amounts of all Loans provided in this Loan Agreement shall not exceed the Aggregate Principal Amount.

2.02 Advancement of Loans:

- (a) No advance shall be made until we are satisfied that the Mortgage granted by the Mortgagor has been registered and constitutes a valid charge on the Mortgaged Property having the agreed upon priority.
- (b) The first Loan must be entirely advanced prior to the advancement of the second Loan, and the second Loan must be entirely advanced prior to the advancement of the third Loan and so on for as many Loans as may exist.
- (c) You will not use any portion of any Loan for the benefit or on behalf of any person other than yourselves.

2.03 Interest: You will pay us interest on the principal amounts advanced and outstanding from time to time in respect of each of the Loans at the applicable Loan Interest Rate, both before and after maturity, default and judgment.

2.04 Compound Interest: If you have not paid interest when due, we will charge you interest on the overdue amount of interest until it is paid to us. This is called compound interest. We will also charge you interest on compound interest that is overdue both before and after maturity and default until it is paid. Compound interest will be charged periodically at intervals (called rests) that are the same as the payment dates under each Loan. The interest rate for compound interest is the same as the applicable Loan Interest Rate.

2.05 Loan Interest Rate Changes: If you have a variable rate Loan, the Loan Interest Rate will change automatically, without notice, each time there is a change in our Prime Interest Rate. The Loan Interest Rate will always be the Prime Interest Rate plus the number of percentage points per annum stipulated in this Loan Agreement. If you have a variable rate Loan you acknowledge that the Loan Interest Rate will be calculated not in advance at the same frequency as the payment frequency for that Loan.

2.06 Payments under Fixed Rate Loans: You will pay us the amount of each regular payment of principal and interest, set out in this Loan Agreement on each payment date during the term of the Loan, for each of the Loans provided where the applicable Loan Interest Rate is a fixed rate of interest (a **"Fixed Rate Loan"**). The balance of each Fixed Rate Loan will become due and payable on the respective Maturity Date of the Loan.

2.07 Payments under Variable Rate Loans: You will pay us the amount of each regular payment of principal and interest, set out in this Loan Agreement on each payment date during the term of the Loan, for each of the Loans provided where the applicable Loan Interest Rate is a variable rate of interest (a **"Variable Rate Loan"**). The balance of each Variable Rate Loan will become due and payable

on its respective Maturity Date of the loan. While the amount of the regular payment for Variable Rate Loans is fixed under this Loan Agreement, the respective portions of interest and principal that comprise each payment may vary as the Prime Interest Rate, and therefore, the Loan Interest Rate, varies. If the amount of the regular payment is not sufficient to pay all accrued interest due on a payment date, the unpaid balance of accrued interest will be added to the principal balance of the Variable Rate Loan, which will increase the amount outstanding and will bear interest at the Loan Interest Rate. Thus, if the Loan Interest Rate rises, a larger portion of any payment will be applied in payment of interest. Conversely, if the Loan Interest Rate falls, a larger portion of any payment will be applied against principal, which will accelerate the reduction of the principal amount of the Variable Rate Loan.

2.08 Application of Payments: We will apply the amount of each payment you make under this Loan Agreement firstly to interest payable in respect of the Loan which you designate at the Loan Interest Rate applicable to that Loan and we will apply the balance of the payment in reduction of the principal amount of the same Loan. If you are in default under this Loan Agreement, the Mortgage or the Other Security, we will apply any payments you make during the period of default in whatever order we may elect as between taxes, interest, repairs, insurance premiums or other advances we make on your behalf and then against the principal of the Loans as we may elect.

2.09 Advances: Neither execution nor registration of the Mortgage nor the advance of any Loan shall bind us to advance any further unadvanced portion of the Aggregate Principal Amount.

2.10 Future Advances: Notwithstanding repayment by you in whole or in part of the Aggregate Principal Amount, and notwithstanding the terms of section 2.01 you may, subject to our approval, borrow the amounts that have been repaid in an amount that does not have the effect of increasing the total principal amount then outstanding under the Loans to an amount that exceeds the Aggregate Principal Amount.

2.11 Payment and Prepayment Privileges: Provided you are not in default, we acknowledge and agree that:

- (a) Fixed Rate Loans and Closed Variable Rate Loans.
- (i) 10% Principal Only Payment: Once in each 12 month period (from anniversary date to anniversary date of the Interest Adjustment Date) you may prepay up to 10% of the Original Principal Amount of any loan, at any time, without notice or bonus interest. This privilege does not apply if you are prepaying an amount that is greater than 10% of the Original Principal Amount of a Loan.
- (ii) 10% Increase in Regular Payments: Once in each 12 month period (from anniversary date to anniversary date of the Interest Adjustment Date), you may increase, on written notice, the regular payments of principal and interest under the Loan by an additional amount not exceeding 10% of the regular payments being paid immediately prior to such increase.
- (iii) You cannot exercise unused prepayment privileges described in 2.11(a)(i) and 2.11(a)(ii) in subsequent years, or months, as the case may be. If you make a prepayment or increase your payment, you are still required to make all regular payments.
- (iv) Payment of More than 10% of Principal: In addition to the privileges described above, you acknowledge and agree that:
 - (a) if you have a Fixed Rate Loan, you may prepay the whole or any part of the principal amount of a Loan at any time during the term of the Loan upon payment of the greater of:
 - (i) 3 months bonus interest at the Loan Interest Rate; or
 - (ii) the Interest Rate Differential ("IRD"). IRD is the present value of the extent to which interest, calculated at the Loan Interest Rate for the remainder of the Term exceeds interest for the

remainder of the Term calculated at the rate we offer at that time for Royfarm loans with terms similar to the time remaining in the term of the Loan (the "Similar Term Rate"); and

- (b) if you have a closed Variable Rate Loan you may prepay the whole or any part of the principal amount of the Loan upon payment of 3 months interest at the Loan Interest Rate. The prepayment charge in this Section 2.11(a)(iv) is calculated based on the principal amount prepaid.

If the remaining term of the Loan is not exactly the same as a term we offer for Royfarm loans (e.g remaining term is 40 months and we offer 36 month and 48 month Royfarm loans), we shall use a mathematical method called linear interpolation to determine the Similar Term Rate. Linear interpolation works as follows:

Find the nearest longer term and shorter term offered for Royfarm loans to the remaining term of the Loan, as of the prepayment date.

Calculate the number of days between the shorter term and the prepayment date (A).

Calculate the number of days between the shorter term and the longer term (B).

Calculate the difference between the interest rates for the longer term and the shorter term (C).

The 'Similar Term Rate' for the IRD calculation is equal to [C times A divided by B] plus the interest rate applicable to the shorter term.

Linear Interpolation Similar Term Rate and Interest Rate Differential (IRD) Illustration:

Pertinent Loan Details

Loan Amount	\$100,000
Loan Rate: Offered Rate:	7.00%
Client Discount:	0.50%,
Client Rate:	6.50%
Remaining Term:	40 months
Nearest Shorter Term:	36 months, Offered Rate: 5.00%
Nearest Longer Term:	48 months, Offered Rate: 5.50%

Number of days between shorter term and prepayment date = 122 (A)

Number of days between shorter and longer terms = 365 (B)

Similar Term Rate Calculation:

$C = 5.50\% - 5.00\% = 0.50\%$

$\text{Similar Term Rate} = [C \times A / B] + 5.00\% = [0.50\% \times 122 / 365] + 5.00\% = 0.17\% + 5.00\% = 5.17\%$

IRD Calculation Illustration (simplified for illustrative purposes)

$\text{IRD} = \text{Loan Amount} \times [\text{Client Rate} - (\text{Similar Term Rate} - \text{Client Discount})] \times \text{Remaining Term (years)}$

$= \$100,000 \times [6.50\% - (5.17\% - 0.50\%)] \times 40\text{months} / 12\text{months}$
 $= \$6,100$. This calculation is for illustration purposes only.

Should you wish to prepay, when you contact us, we will provide the precise amount of the prepayment charge.

If the Loan is closed, you also agree that if you prepay more than 10% of the Principal Amount, you will pay us a processing fee. Currently this fee is \$150.00, however you acknowledge that we may change this fee from time to time without notice to you.

You also agree that if prior to the end of the term you wish to amend a Loan Interest Rate or the term of a Loan, you will pay us the breakage costs relating to the change in the interest rate or term of the applicable Loan. The breakage costs shall be calculated using the calculation set out immediately above in Section 2.11(a)(iv).

(b) Open Variable Rate Loans:

- (i) If you have an open Variable Rate Loan, you may prepay the whole or any part of the principal amount of the Loan at any time without notice or bonus interest, but any such prepayment must not be less than \$500.00.

- (ii) Once in each 12 month period (from anniversary date to anniversary date of the Interest Adjustment Date), you may increase, on written notice, the regular payments of principal and interest under the Loan by an unlimited additional amount.
- (c) Amount of Regular Payment Not Affected: Any prepayment of principal made pursuant to the prepayment privileges described above will not affect the amount of the regular payments which will continue to be the same amount regardless of any such prepayment until the whole of the Original Principal Amount of the applicable Loan has been paid in full.
- (d) No Other Prepayments: You may not prepay the Loan except as set forth above.
- (e) Non-Monthly Payment Option: If you select the Non-Monthly Payment Option, the amount of your weekly, bi-weekly or semi-monthly payment of principal and interest will be calculated according to the following formulas:
 - (i) Weekly: monthly principal and interest payment $\times 12 \div 52$, collected 52 times each year;
 - (ii) Bi-Weekly: monthly principal and interest payment $\times 12 \div 26$, collected 26 times each year;
 - (iii) Semi-Monthly: monthly principal and interest payment $\div 2$, collected 2 times each month, fifteen days apart.

We may terminate the Non-Monthly Payment Option immediately and without notice to you in the event that you are in default under this Loan Agreement, the Mortgage or the Other Security.

- (f) Accelerated Payment Option: If you select the Accelerated Payment Option, the amount of your weekly or bi-weekly payment of principal and interest will be higher than the corresponding non-accelerated payment, thereby reducing the amortization of the Loan.

The following formulae are used to calculate your payment of principal and interest:

- (i) Weekly: monthly principal and interest payment $\times 12 \div 48$, collected 52 times each year;
- (ii) Bi-Weekly: monthly principal and interest payment $\times 12 \div 24$, collected 26 times each year.
- (g) Convertibility Option:

If you have a Closed Variable Rate Loan, then during the term of the Loan, you may, without bonus interest, convert the term, effective on any regular payment date (the "Conversion Date") to a Closed Fixed Rate Loan with a term that is longer than the remaining term of the Loan immediately prior to the Conversion Date. You must notify us in writing of your desire to convert to the new term no more than 30 days and at least 5 days prior to the Conversion Date. The rate of interest for the new term will be that in effect on the date you notify you in writing. You must also sign our amending agreement. It will set out the terms and conditions of the amended Loan, including interest rate, term and if any, prepayment options.

2.12 Renewals: Each of the Loans under this Loan Agreement may, at our option, be renewed or extended by an agreement in writing at maturity for any term selected by you. If you do not sign and return to us the renewal agreement by the maturity date, the Loan will be automatically renewed on the terms set out in the renewal agreement.

We shall, at all times, and at our entire discretion, have the right to renew your Loans for such terms as appropriate, to make all your Loans mature on the date which coincides with the latest Maturity Date then outstanding.

The Mortgagor acknowledges that subject to the Mortgagor not being a corporation, the *Interest Act* (Canada) and certain provincial statutes permit the prepayment of mortgages and loans secured by a mortgage with three months further interest once five years have elapsed from the date of the mortgage or loan. The Mortgagor, provided it is not a corporation, agrees that for the purpose of this statutory right of prepayment only, the effective date of this Loan Agreement and the Mortgage will be the Effective Date set forth in any Royfarm Mortgage Loan Amendment Agreement entered into by you and us with respect to each Loan, as applicable.

2.13 Business Loan Insurance Plan: Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

Please note: If you have Business Loan Insurance Plan coverage on previously approved loans, such coverage will be applied automatically to all new loans eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. If you do not want Business Loan Insurance Plan coverage to apply to any new Loans, a different loan account number will need to be set up and all uninsured loans attached to it.

The Guarantor agrees as follows:

3.00 GUARANTOR'S PROMISES AND AGREEMENT

3.01 As we would not have agreed to lend the Aggregate Principal Amount to the Borrower without the promises of the Guarantor and in consideration of our advancing all or part of the Aggregate Principal Amount to the Borrower at the request of the Guarantor, the Guarantor promises

- (a) to pay all of this payments due under this Loan Agreement, and
- (b) to keep and perform all of the Borrower's obligations under this Loan Agreement.

3.02 The Guarantor agrees that, with or without notice, the following shall in no way affect any of the promises of the Guarantor or the liability of the Guarantor to us:

- (a) a discharge of the Mortgaged Property or any part of the Mortgaged Property from the Mortgage;
- (b) any disregard or waiver of a default;
- (c) the giving of extra time to the Borrower to (i) do something that the Borrower has agreed to do, or (ii) cure a default;
- (d) any other dealing between the Borrower and us which concerns this Loan Agreement or the Mortgage.

3.03 All of the Guarantor's promises shall be binding on the Guarantor until all of the Total Debt is fully paid to us.

3.04 The Guarantor is a primary debtor to the same extent as if the Guarantor has signed this Loan Agreement as a Borrower and the Guarantor's promises and agreements are joint and several, or solidary in Quebec, with the Borrower's promises and agreements. This means that the Guarantor and the Borrower are both liable to perform all of the Borrower's promises and agreements.

3.05 If more than one person signs the Loan Agreement as a Guarantor, the promises are joint and several.

4.00 GENERAL TERMS OF AGREEMENT

4.01 Payment: Unless we otherwise agree, you must make all payments under this Loan Agreement in money which is legal tender in Canada at the time of payment.

4.02 Default: If you or the Guarantor do not perform any of the terms and conditions contained in this Loan Agreement, or in the Mortgage or the Other Security or any other agreement relating to this Loan Agreement, then, at our option, all monies owing under this Loan Agreement with accrued interest will become due and payable, and we will have the right to exercise all of the powers given to us under this Loan Agreement, the Mortgage and the Other Security. In addition to the rights described above, we shall be entitled, at our option, to require payment of 3 months bonus interest in advance at the Loan Interest Rate calculated on the principal, and you and the Guarantor shall not be entitled to require a discharge of the Mortgage without such payment.

The mere lapse of the time fixed for performing an obligation under this Loan Agreement will have the effect of putting you in default of it, but our failure to exercise any of our rights arising from such a default shall not constitute a waiver of such rights.

You also agree that if you default in the payment of any indebtedness owing to us or owing to any other entity, person or government department or agency other than us, or in the performance or observance of any agreement in respect of any such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated, such default shall constitute an event of default under this Loan Agreement. In the event of such default then, at our option, all monies owing under this Loan Agreement with accrued interest will become due and payable, and we will have the right to exercise all of the powers given to us under this Loan Agreement, the Mortgage and the Other Security.

4.03 Material Adverse Change: If in our opinion there is a material adverse change in the financial condition, operation or ownership of the Borrower(s) or Guarantor(s) then, at our option, all monies owing under this Loan Agreement with accrued interest will become due and payable, and we will have the right to exercise all of the powers given to us under this Loan Agreement, the Mortgage and the Other Security.

4.04 Due on Sale: If the Mortgagor transfers or sells, or agrees to sell or transfer the title to the Mortgaged Property to a transferee or purchaser we do not approve of in writing, and who has not personally assumed (with the consent of his or her spouse where required by law) all of your obligations under this Loan Agreement and under the Mortgage and Other Security or any other agreement relating to this Loan Agreement and all of the Mortgagor's obligations under the Mortgage by executing an assumption agreement in the form we require, then, at our option, all monies owing under this Loan Agreement, with accrued interest, will become due and payable.

4.05 Prohibition against Rental: The Mortgagor may not rent the whole or any part of the Mortgaged Property without our consent. We have the right to declare the amount of all monies owing under this Loan Agreement due and payable if the Mortgagor does so, and, if the Loan is a Fixed Rate Loan we may charge you for loss of investment which amount shall be calculated in accordance with Section 2.11(a)(iv).

4.06 Proof of Total Debt: We will keep records showing the amounts we have loaned to you, and the amounts you have repaid to us, in respect of each Loan. These records will, in the absence of manifest error, be sufficient proof of the Total Debt you owe to us at any time.

4.07 Expenses: You will pay us all fees stipulated in this Loan Agreement and all fees charged by us relating to the documentation or registration of this Loan Agreement, the Mortgage and the Other Security. You will pay all fees (including legal fees), expenses and costs incurred by us in connection with preparation, negotiation,

documentation and registration of this Loan Agreement, the Mortgage and the Other Security and the enforcement of our rights against you or under the Mortgage or Other Security. These costs and expenses may include (but are not limited to) costs of appraisals, inspections, financial reviews, amendments, registrations, searches, discharges and actions taken in connection with the preservation of our rights under this Loan Agreement, the Mortgage or the Other Security. You also agree that if you prepay more than 10% of a closed Loan, you will pay our processing fee. You acknowledge that this fee may change from time to time. Currently this fee is \$150.

4.08 Interpretation: For the purposes of this Loan Agreement, the word "mortgage" includes hypothec.

4.09 Binding Agreement: This Loan Agreement is binding upon and operates to the benefit of the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.

4.10 Joint and Several Liability: Where there is more than one Borrower under this Loan Agreement, their obligations herein shall be joint and several, or solidary in Quebec.

4.11 Change of control of farming corporation: Where the Mortgagor is a farming corporation, in the event: (a) you fail to supply us, in a form satisfactory to us, such information relating to the ownership of the shares of the Mortgagor as we may from time to time require; or (b) without our written consent, you (i) issue or redeem any of the shares of the Mortgagor or transfer any of its shares, (ii) there is a sale or sales of the shares of the Mortgagor which result in the transfer of the legal or beneficial interest of a majority of all the shares of the Mortgagor, or (iii) there is a change in the effective control of the majority of the voting shares of the Mortgagor, all of the Original Principal Amount secured by the Mortgage together and accrued interest thereon shall forthwith become due and payable at our option and our powers of sale of the Mortgaged Property under the Mortgage and all other remedies for enforcement by us shall be exercisable.

4.12 Reviews: We may conduct annual or periodic reviews of your affairs, at the times determined by us and upon timely notice to you for the purpose of determining your financial performance. You will make available to us all information that we may reasonably require and do all things reasonably necessary to facilitate our review.

5.00 SECURITY

5.01 The Mortgagor has charged the Mortgaged Property as continuing collateral security for all of the Mortgagor's obligations, debts and liabilities, present or future, including, without limitation, this Loan Agreement. If the Mortgage is given as security only for this Loan Agreement, the Mortgaged Property is charged in the Aggregate Principal Amount, and interest and other amounts owing by you to us under this Loan Agreement. If the Mortgage is given as security for this Loan Agreement and as security for other agreements with us, the Mortgaged Property is charged in an amount that exceeds the Aggregate Principal Amount and interest and other amounts owing by you under this Loan Agreement. While the respective amounts of principal outstanding in respect of each Loan under this Loan Agreement may, subject to our approval, change from time to time and be reduced and thereafter increased or entirely extinguished and thereafter incurred again, you agree that at any one time the Mortgage will secure the Total Debt.

5.02 You and the Guarantor will execute such additional security agreements as are required by us, which may include but are not limited to a General Security Agreement, a chattel mortgage, assignment of rents, assignment of accounts receivable, assignment of production quotas, powers of attorney or other security, on our standard forms existing at the time we require you to do so, which individually or collectively are referred to in this Loan Agreement as the "Other Security".

5.03 The Mortgagor shall not under any circumstances grant a mortgage on the Mortgaged Property ranking subsequently in priority to the Mortgage, without having received our prior written consent. If such a mortgage is granted, it shall constitute an event of default under this Loan Agreement and we may exercise the rights set out in Section 4.02.

5.04 The Mortgage is in addition to and not in substitution for any other security held by us in respect of any of your indebtedness to us, including any Other Security for all or any part of the Aggregate Principal Amount, and you understand and agree that we may pursue our remedies under the Mortgage and any Other Security concurrently or successively at our option. Any judgement or recovery under the Mortgage or under any Other Security held by us

for the Aggregate Principal Amount shall not affect our right to realize upon the Mortgage or any other such security, including any Other Security.

In particular, and without limiting the generality of the foregoing, you acknowledge and agree that the Mortgage is in addition to, and not in substitution for, any other mortgage which may have been granted by the Mortgagor to us.

6.0 LANGUAGE OF AGREEMENTS

6.0 Language: The parties have expressly requested that this agreement and all related documents, including notices, be drawn up in the English language. À la demande expresse des parties, cette entente et tout document y afférent, y compris les avis, ont été rédigés en langue anglaise (Quebec only/Québec seulement).