



This is the 1st Affidavit
of James Cook in this case
and was made on February 13, 2024

No. **SΞ241161**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

BETWEEN:

THE BANK OF NOVA SCOTIA

PETITIONER

AND:

**BIFANO CONSOLIDATED INC.,
BIFANO FARMS INC.,
NATA FARMS INC.,
SSC VENTURES (NO. 105) LTD., and
SPALLUMCHEEN FARM LTD.**

RESPONDENTS

AFFIDAVIT

I, James Cook, of 40 King Street West, Toronto, Ontario, SWEAR THAT:

1. I am a Senior Manager, Special Accounts Management, of the Petitioner, The Bank of Nova Scotia ("BNS"), and as such have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe the information and resulting statement to be true. I am authorized to make this affidavit on behalf of the Petitioner.
2. This affidavit is sworn in support of the application of BNS for an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of the Respondents (collectively, the "**Companies**"). BNS seeks this relief in order to stay the Companies' creditors and facilitate financing that the Companies require to continue operations while the Companies undertake a sale process to identify and implement one

or more transactions that will maximize value for stakeholders. BNS is prepared to provide the required funding if the Initial Order is made, and the terms of the interim financing are approved by the Court.

3. BNS is the Companies' senior secured creditor and, as such, in preparing this affidavit I have reviewed BNS's documents and records and, in some cases, relied on information provided to BNS by the Companies' management and advisors, KPMG Inc. and Dentons Canada LLP (together, the "**Advisors**").

The Respondents – Corporate Structure and Management

4. The Respondents, Bifano Consolidated Inc. ("**Bifano Consolidated**"), Bifano Farms Inc. ("**Bifano Farms**"), Spallumcheen Farm Ltd. ("**Spallumcheen**"), Nata Farms Inc. ("**Nata**") and SSC Ventures (No. 105) Ltd. ("**SSC 105**") are a group of related corporations that share common ownership and management.

5. Attached and marked as **Exhibit "A"** is a copy of the Companies' organization chart.

6. Based on my review of the results of searches of the BC corporate registry, I believe that each of the Companies are incorporated in British Columbia.

7. Joseph Bifano, who is a director of each of the Companies, has primary responsibility for the Companies' management. As noted below, BNS brings this application, in part, because Mr. Bifano is not able or prepared to do so.

8. Based on my discussions with the Companies' management, including Mr. Bifano, and information provided by the Advisors, I understand that the Companies' accounting, reporting, and financial controls were deficient, and the Companies' records are combined or comingled. I also believe the Companies have engaged a contract accounting professional in an attempt to rectify that issue.

Operations Overview

9. The Companies operate commercial farming operations that are somewhat integrated, although their primary business lines (dairy farming and trucking operations) are distinct.

10. The Companies' dairy operations are their primary business, and those operations are stable with consistent milk production, quality, and pricing.

11. The Companies expanded into trucking operations in or about 2018 and, since that time, the trucking operations have incurred significant debt. As noted below, at the time of this Affidavit, the Companies had arrangements with their lessors pursuant to which they have ceased making lease payments.

Farming Operations

12. The Companies operate a dairy farm in Armstrong, British Columbia (the "**Dairy Farm**"). The Companies own 484 kg of continuous daily quota (the "**Owned Quota**") issued by the British Columbia Milk Marketing Board ("**BCMMB**") and lease an additional 416 kg (the "**Leased Quota**") and together with the Owmed Quota, the "**Dairy Quota**").

13. As of November 30, 2023, the Dairy Farm had approximately 800 milk cows, 180 dry cows, 521 heifers and 147 calves.

14. In addition to operating the Dairy Farm, the Companies also do contract farming work within the region to generate additional income and to further utilize their farming equipment. The Companies have various pieces of equipment, including tractors, planters, spreaders, harvesters, and balers.

15. Bifano Consolidated, Spallumcheen and Nata (collectively, the "**Farm Companies**") operate the farming business and Bifano Farms and SSC 105 hold the Dairy Quota that the Farm Companies produce against. Based on information provided by the Companies and the Advisors, I believe that the legal interest in the Dairy Quota is held by SSC 105 and Bifano Farms holds the beneficial interest (with some of the Owmed Quota being held in trust by SSC 105).

16. Bifano Consolidated owns real property in Armstrong, British Columbia (the "**Nata Lands**"), from which the Farm Companies operate. The Nata Lands have 13 livestock barns, a maintenance shop, sawdust bunkers, a milking parlour, and a family home.

17. Spallumcheen owns seven separate, but contiguous, parcels of land (collectively, the “**Spallumcheen Lands**” and together with the Nata Lands, the “**Lands**”) which neighbour the Nata Lands and, collectively, form one large plot of land.

18. One of the parcels of the Spallumcheen Lands has a house, storage shed, grain barn, hay shed and maintenance shop, and the balance are cultivated land operated by the Farm Companies.

19. Collectively, as of July 1, 2023, the assessed value of the Lands is \$4,461,402. Attached and marked as **Exhibit “B”** are copies of the British Columbia Property Assessment results for each of the Lands.

20. The Farm Companies’ sources of revenue are:

- (a) revenue from milk sales;
- (b) custom farming contracting services;
- (c) sawdust sales on a contract basis;
- (d) crop sales of excess feed grown on site;
- (e) sales of livestock; and
- (f) other miscellaneous revenues, including interest and government grants, etc.

21. The Farm Companies’ primary expenses are:

- (a) dairy related expenses, including sawdust, bedding, cattle, vet, feed, quota related expenses, land leases, repair and maintenance of the equipment, and contract works;
- (b) lease payments for the equipment;
- (c) freight, levies, and administrative expenses;
- (d) shop expenses, largely related to the trucking fleet, but also for the farm equipment;

- (e) custom work expenses, based on the contract work;
- (f) payroll expenses; and
- (g) general and administrative expenses.

22. Nata has several employees, working on the farm and in the trucking operations, but BNS does not know the specific number of employees or the breakdown of their roles.

Trucking Operations

23. Since 2018, the Companies have expanded the trucking operations. This expansion was funded with debt. Based on information provided by the Companies, I believe that the Companies had approximately 85 trailers and 53 trucks (as of May 2023) and that the Companies have four main customers, for whom trucking work is done on an *ad hoc* basis (i.e. without set contracts).

24. The Companies do not have an experienced logistics manager, dispatch, or related support. Among other things, the Companies have not demonstrated that they are able to adequately track revenue, costs, or profitability for the fleet.

25. As noted above, the Companies currently have arrangements where they are not making lease payments. I expect that, in the course of these proceedings, the monitor (if appointed) will assess the viability of the trucking operations, which may include whether the arrangements with equipment lessors can be continued during the sale process.

The Companies' Creditors

Equipment Lessors and Financiers

26. The Companies' various equipment lessors and financiers have registered financing statements in the BC Personal Property Registry. Some of the registrations are for vehicles used in the trucking operations. Those registrations are against both Bifano Consolidated and Nata, but it is not clear which entity is the primary debtor since BNS does not have a copy of the underlying leases. Based on financial statements provided by the Companies, the Companies owe approximately \$16.7 million on these leases.

27. Based on my discussions with the Companies' management, and the Companies' financial reporting, I believe that since approximately April 2023, by agreement with the lessors or financiers, the Companies have ceased making payments required of them under the respective lease or financing agreements in respect of the subject equipment. It is not apparent whether the current arrangement can be maintained indefinitely.

28. I also note that in December 2023, Nata and Bifano Consolidated received demands for payment from CNH Industrial Capital Canada Ltd. and CWB National Leasing Inc. ("CWL"). The former demand enclosed a Notice of Intent by Secured Creditor pursuant to the *Farm Debt Mediation Act* (the "**FDMA Notice**") and the latter demand enclosed a FDMA Notice and Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* ("**BIA Notice**").

Tax Obligations

29. Based on my discussions with the Companies' management and the Advisors, I believe that the Companies' tax debts include the following owing by Nata (as of February 23, 2023):

- (a) \$66,730.18 due and owing with respect to GST and HST; and
- (b) \$1,860,169.57 due and owing with respect to source deductions.

Other Obligations

30. The Companies have additional debt of approximately \$800,000 and shareholder loans of approximately \$1.6 million. To the extent these amounts have security, I believe such security would be subordinate to that of BNS.

The Bank of Nova Scotia

31. BNS is the Companies' primary secured creditor. The Farm Companies, as borrowers, and BNS, as lender, entered into a commitment letter dated April 29, 2022 (the "**Commitment Letter**"), as amended December 29, 2022 and February 13, 2023 by the forbearance agreements described below (collectively and as amended, the "**Credit Agreement**").

32. Bifano Farms, SSC 105, SSC Ventures (No. 92) Ltd. ("**SSC 92**") and Mr. Bifano (collectively, the "**Guarantors**") guaranteed the obligations of the Farm Companies to BNS

33. Nata and Spallumcheen have also executed guarantees of the debt owing to BNS.

34. As security for the debt owing under the Credit Agreement and the Guarantees, the Companies have each executed general security agreements in favour of BNS and Bifano Consolidated and Spallumcheen have granted mortgages of the Lands.

35. Additionally, pursuant to assignment agreements each dated March 24, 2020 (together, the "**Assignment Agreement**"), granted by SSC 105 in favour of BNS, pursuant to which BNS has been assigned all right, title, and interest in:

- (a) any dairy quota held from time to time by SSC 105 on behalf of Bifano Farms; and
- (b) all proceeds received by the BCMMB with respect to the sale of milk by or on behalf of SSC 105.

36. Attached and marked as follows are true copies of:

- (a) as **Exhibit "C"**, the Commitment Letter;
- (b) as **Exhibit "D"**, the guarantee dated March 16, 2020 executed by Bifano Farms;
- (c) as **Exhibit "E"**, the limited recourse guarantee dated March 24, 2020 executed by SSC 105;
- (d) as **Exhibit "F"**, the guarantee dated March 16, 2020 executed by SSC 92;
- (e) as **Exhibit "G"**, the guarantee dated March 16, 2020 executed by Mr. Bifano;
- (f) as **Exhibit "H"**, the guarantee dated March 16, 2020 executed by Nata;
- (g) as **Exhibit "I"**, the guarantee dated October 1, 2020 executed by Spallumcheen;
- (h) as **Exhibit "J"**, a general security agreement dated March 16, 2020 executed by Bifano Consolidated;

- (i) as **Exhibit “K”**, a general security agreement dated October 31, 2020 executed by Spallumcheen;
- (j) as **Exhibit “L”**, a general security agreement dated March 16, 2020 executed by Nata;
- (k) as **Exhibit “M”**, a general security agreement dated March 16, 2020 executed by Bifano Farms;
- (l) as **Exhibit “N”**, a mortgage dated March 30, 2020 executed by Bifano Consolidated;
- (m) as **Exhibit “O”**, a mortgage dated November 2, 2020 executed by Spallumcheen; and
- (n) as **Exhibit “P”**, the Assignment Agreement.

Defaults under the Credit Agreement

37. In or about 2022, the Farm Companies began to default under the terms of the Credit Agreement, including by failing to comply with the Farm Companies’ capital and operating leases and obligations which required them to apply surplus cash flow to pay amounts owing to BNS, and defaults in reporting.

38. Following these defaults, BNS, the Farm Companies (as borrowers) and the Guarantors (as guarantors) entered into a forbearance agreement dated December 29, 2022 pursuant to which, among other things, the parties amended the Credit Agreement and BNS agreed to forbear from exercising its rights until January 31, 2023 (the “**2022 Forbearance**”).

39. In February 2023, BNS, the Farm Companies and the Guarantors entered into a second forbearance agreement pursuant to which, among other things, the parties amended the Credit Agreement and BNS agreed to forbear from exercising its rights until March 31, 2023 (together with the 2022 Forbearance, the “**Forbearance Agreements**”). Attached and marked as **Exhibit “Q”** are true copies of the Forbearance Agreements.

40. Despite the time afforded them under the Forbearance Agreements, the Farm Companies were unable to rectify their defaults and on June 15, 2023, BNS made demand on the Companies and Guarantors for all amounts owing by them to BNS. Attached and marked as **Exhibit "R"** are true copies of the demand letters delivered to the Companies along with the enclosed BIA Notice.

41. In June 2023, BNS issued a reservation of rights letter and extension, each of which were acknowledged and consented to by each of the Farm Companies and the Guarantors. Pursuant to the terms of the reservation of rights letter dated June 22, 2023:

- (a) the Farm Companies and the Guarantors acknowledged the outstanding indebtedness and that certain defaults had occurred pursuant to the Credit Agreement, agreed to certain reporting terms and financial obligations, and agreed to certain benchmark dates for a restructuring plan; and
- (b) BNS agreed to defer the Farm Companies' scheduled loan payments, on the basis that they would monitor their affairs on a day-to-day basis.

42. The reservation of rights letter was extended pursuant to letters dated June 30, 2023 and July 14, 2023, including an extension of the benchmark dates for a proposed restructuring. Attached and marked as **Exhibit "S"** are true copies of the reservation of rights letter dated June 22, 2023 and the extension letters dated June 30, 2023 and July 14, 2023.

43. As of February 7, 2024, BNS is owed approximately \$36.5 million in principal, plus interest and costs that continue to accrue.

Initial Order – Interim Financing

44. The Companies and KPMG Inc. are assisting Alvarez & Marsal Canada Inc. ("**A&M**") in preparing a cash flow forecast, including providing operating assumptions and other information to A&M. I understand that the cash flow forecast is being prepared and will be attached to a report from A&M. The current draft of the forecast shows that the Companies may require up to \$1.5 million to meet critical expenses over the 13 weeks ending May 19, 2024, including expenses relating to the maintenance of the Companies' livestock and their payroll obligations, and that up to \$250,000 may be required in the first 10 days of these proceedings.

45. Accordingly, BNS is preparing a term sheet pursuant to which BNS will advance interim financing to meet these shortfalls, subject to the Court authorizing such interim financing facility and granting a priority charge over all of the Companies' property that secures the interim financing advances. The term sheet will be attached to a further affidavit or the report from A&M.

Initial Order – Enhancement of Monitor's Powers

46. BNS seeks the Initial Order pursuant to the CCAA and the appointment of A&M as monitor with enhanced powers. A&M has consented to being appointed as monitor, including with enhanced powers.

47. I am advised by Todd Martin, Managing Director of A&M, and believe that at no time in the past two years has A&M, or any of its partners or managers, been the auditor, accountant, or an employee of the Companies.

48. In April 2023, A&M was engaged by BNS, consented to by the Farm Companies, to provide financial advisory services in respect of the Companies. In that role, A&M has accumulated significant knowledge regarding the Companies, their background, and their financial difficulties, which will assist A&M in their role as monitor in the CCAA proceedings.

49. BNS and the Companies have been working collaboratively over the past several months to address the Companies' financial challenges. This has included BNS allowing the Companies' significant time to complete an equity investment, refinancing or other transaction, none of which has been concluded.

50. Most recently, the Companies presented a financing option and requested time to allow that to be advanced and negotiated. However, BNS is not comfortable with delaying this application for that financing option because, although a term sheet was presented on January 31, 2024, the proposed lender has not made its counsel available to confirm or advise BNS in respect of the terms of any financing. Accordingly, BNS is concerned that the financing option is not capable of being concluded in a timely manner.

51. BNS and the Companies also discussed the terms on which BNS would agree to advance additional funds, a potential sale process and a potential proceeding to facilitate both. To that end,

the Companies and BNS had been in discussions concerning the Companies commencing proposal proceedings under the *Bankruptcy and Insolvency Act* or proceedings under the CCAA.

52. Based on my discussions with the Companies' management and information provided by the Advisors, I understand that the Companies and Mr. Bifano will continue to work cooperatively with BNS, including in relation to these proceedings, but that Mr. Bifano is not able or prepared to cause the Companies to initiate these proceedings himself. As noted above, Mr. Bifano is a director of each of the Companies and responsible for their management. I am advised by Mr. Bifano and the Advisors, and believe, that Mr. Bifano has had various health challenges, occasionally requiring hospitalization. Notwithstanding the foregoing, I understand that Mr. Bifano is prepared to continue working with the Bank, including to assist with these proceedings following the Initial Order.

53. Accordingly, BNS seeks the Initial Order, and enhanced powers for A&M as monitor that include the ability to exercise any powers and functions necessary to continue the operations of the Companies and to undertake the sale process. These enhanced powers are a condition of BNS agreeing to provide additional financing, and are intended to ensure that the sale process and CCAA proceedings can be completed efficiently.

Initial Order – Stay of Proceedings

54. The Companies require a stay of proceedings to continue operations and advance the sale process efficiently.

55. Without a stay of proceedings, BNS is concerned that there will be an immediate and significant erosion of value, resulting from, among other things: (a) suppliers and creditors commencing actions to recover amounts owing to them; (b) customers terminating agreements or exploring alternative suppliers; and (c) potential termination of other agreements that are critical to the Companies' operations and business.

Initial Order – Administration Charge

56. The monitor and the monitor's counsel are essential to these proceedings. A&M has advised that they, and their counsel, are prepared to provide or continue professional services only

if they are protected by a priority charge over the Companies' assets (the "**Administration Charge**") of \$150,000.

57. BNS believes that the Administration Charge is necessary in the circumstances. Specifically, the monitor and their counsel are required for their expertise and knowledge to advance the CCAA proceedings and the proposed sale process.

Comeback Hearing – Sale Process

58. As noted above, the Companies require a sale process to identify a transaction (or transactions) to maximize value for stakeholders. The sale process is a condition to funding, beyond the Comeback Hearing, under the term sheet.

59. Accordingly, BNS is, in consultation with A&M, developing proposed procedures for a sale process which will include the dates on which bids must be submitted and the requirements for bids to be considered "Qualified Bids" under the process and ultimately be presented to the Court for approval. These procedures will be attached to a further affidavit or report from A&M.

Urgency

60. The Companies cannot meet their liabilities as they come due, and there is significant risk that they will face numerous claims from other creditors soon, including for the demands already issued, such that there is a risk of the Companies facing multiple enforcement actions.

61. The Companies also require funding, which will not be available without the Initial Order, to meet critical expenses (including expenses necessary for the health and wellbeing of the Companies' livestock).

62. Accordingly, the Companies and their stakeholders require the Initial Order on an urgent

basis to secure access to funds and maintain the stability of the Companies' operations.

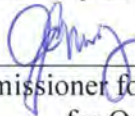
SWORN BEFORE ME at Toronto,
Ontario on February 13, 2024.

A Commissioner for taking Affidavits for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

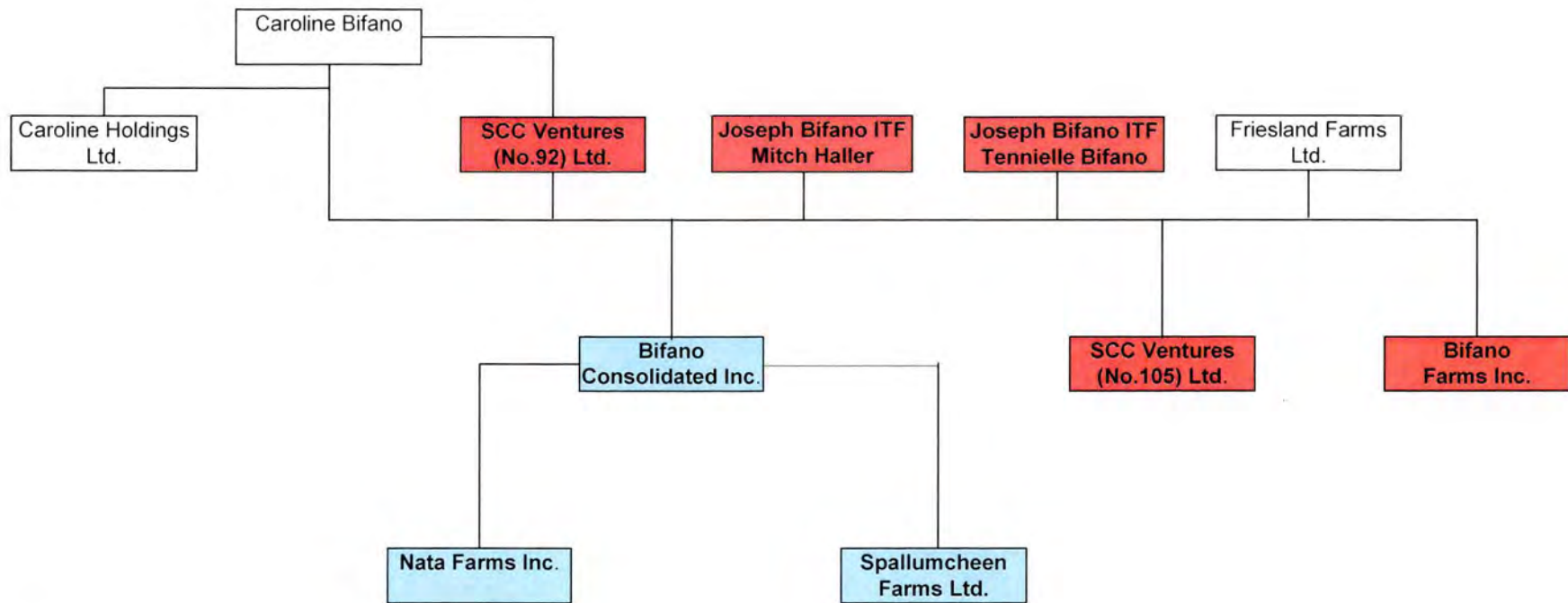
JAMES COOK



This is Exhibit " A " referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025



 Borrower Entity
 Guarantor Entity

This is Exhibit “ **B** ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

5385 BACK ENDERBY RD SPALLUMCHEEN VOE 1B8

Area-Jurisdiction-Roll: 20-323-00806.001


Total value **\$3,407,819** ^[1]

2024 assessment as of July 1, 2023

Land	\$190,219
Buildings	\$3,217,600
Previous year value	\$3,117,019
Land	\$190,219
Buildings	\$2,926,800

Property information

Year built	1967
Description	1 STY SFD - After 1960 - Standard
Bedrooms	5
Baths	3
Carports	
Garages	
Land size	199.65 Acres
First floor area	2,344
Second floor area	
Basement finish area	2,000
Strata area	
Building storeys	1
Gross leasable area	
Net leasable area	
No. of apartment units	

Legal description and parcel ID

LOT 1, PLAN EPP68311, SECTION 12, TOWNSHIP 18, RANGE 8, MERIDIAN W6, KAMLOOPS DIV OF YALE LAND DISTRICT, & OF SECS 13 & 18 TWP 35 RGE 9, MANUFACTURED HOME REG.# 106434
PID: 030-083-893

Sales history (last 3 full calendar years)

Mar 18, 2023	\$227,800
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Manufactured home

Width	15 Ft
Length	76 Ft
Total area	1140 Sq Ft

Comments

Property has more than one structure: Property Details are for main building only

- [1] Farm land - value set by BC Regulation 411/95
- [2] Assessment Act, Section 20 - Major industry building - value set by legislated Major Industrial Properties Manual and BC Regulation 53/2016
- [3] Managed forest land and cut timber - values set by BC Regulation 90/2000
- [4] Land and/or building values set by legislated cost manual or regulation
- [5] This property was sold with multiple properties. For more information, contact BC Assessment



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NEAR BACK ENDERBY RD SPALLUMCHEEN VOE 1B8
Area-Jurisdiction-Roll: 20-323-00822.000



Total value \$10,416 ^[1]

2024 assessment as of July 1, 2023

Land \$10,416

Buildings \$0

Previous year value \$10,416

Land \$10,416

Buildings \$0

Property information

Year built

Description Grain & Forage (Vacant)

Bedrooms

Baths

Carports

Garages

Land size 33 Acres

First floor area

Second floor area

Basement finish area

Strata area

Building storeys

Gross leasable area

Net leasable area

No.of apartment units

Legal description and parcel ID

SECTION 13, TOWNSHIP 18, RANGE 9, MERIDIAN W6,
KAMLOOPS DIV OF YALE LAND DISTRICT, SEE (H11055F)
PID: 013-795-848

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width

Length

Total area

Register with BC Assessment



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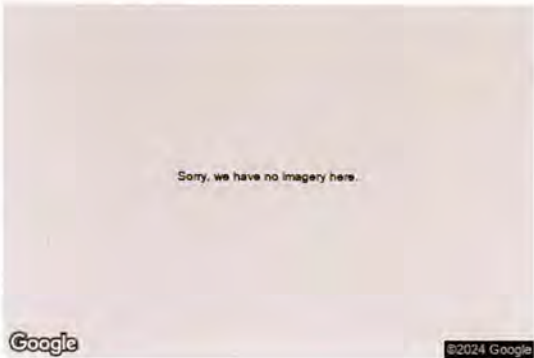
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BACK ENDERBY RD SPALLUMCHEEN VOE 1B8

Area-Jurisdiction-Roll: 20-323-00939.002



Total value \$26,893 ^[1]

2024 assessment as of July 1, 2023

Land \$26,893

Buildings \$0

Previous year value \$26,893

Land \$26,893

Buildings \$0

Property information

Year built

Description Grain & Forage (Vacant)

Bedrooms

Baths

Carports

Garages

Land size 30.72 Acres

First floor area

Second floor area

Basement finish area

Strata area

Building storeys

Gross leasable area

Net leasable area

No.of apartment units

Legal description and parcel ID

LOT 6, PLAN KAP1654, DISTRICT LOT 148, KAMLOOPS DIV OF YALE LAND DISTRICT

PID: 011-367-750

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width

Length

Total area

Register with BC Assessment



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- [1] Farm land – value set by BC Regulation 411/95
- [2] Assessment Act, Section 20 – Major industry building – value set by legislated Major Industrial Properties Manual and BC Regulation 53/2016
- [3] Managed forest land and cut timber – values set by BC Regulation 90/2000
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- [5] This property was sold with multiple properties. For more information, contact BC Assessment

BC ASSESSMENT

The information in this report is provided for your information and convenience. If the information has been altered for any reason from the format in which it was originally received verification may be required by BC Assessment. In any case of doubt, the official BC Assessment records shall prevail.

5697 BACK ENDERBY RD SPALLUMCHEEN VOE 1B8

Area-Jurisdiction-Roll: 20-323-00939.050



Total value

\$27,819 ^[1]

2024 assessment as of July 1, 2023

Land

\$27,819

Buildings

\$0

Previous year value

\$27,819

Land

\$27,819

Buildings

\$0

Property information

Year built

Description

Grain & Forage (Vacant)

Bedrooms

Baths

Carports

Garages

Land size

29.17 Acres

First floor area

Second floor area

Basement finish area

Strata area

Building storeys

Gross leasable area

Net leasable area

No.of apartment units

Legal description and parcel ID

LOT 7, PLAN KAP1654, DISTRICT LOT 148, KAMLOOPS DIV OF YALE LAND DISTRICT

PID: 011-367-784

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years



Manufactured home



Width

Length

Total area

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- [2] Assessment Act, Section 20 - Major industry building - value set by legislated Major Industrial Properties Manual and BC Regulation 53/2016
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STEPNEY RD SPALLUMCHEEN VOE 1B8
Area-Jurisdiction-Roll: 20-323-00768.000



Total value **\$12,409** ^[1]

2024 assessment as of July 1, 2023

Land \$12,409

Buildings \$0

Previous year value \$12,409

Land \$12,409

Buildings \$0

Property information

Year built

Description Grain & Forage (Vacant)

Bedrooms

Baths

Carports

Garages

Land size 12.75 Acres

First floor area

Second floor area

Basement finish area

Strata area

Building storeys

Gross leasable area

Net leasable area

No.of apartment units

Legal description and parcel ID

LOT 2, PLAN KAP2011, SECTION 26, TOWNSHIP 35,
KAMLOOPS DIV OF YALE LAND DISTRICT

PID: 011-291-761

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width

Length

Total area

Register with BC Assessment



Search properties on a map



Compare property information and assessment values



Store and access favourite properties across devices



View recently viewed properties

- [1] Farm land - value set by BC Regulation 411/95
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- [4] Land and/or building values set by legislated cost manual or regulation
- [5] This property was sold with multiple properties. For more information, contact BC Assessment



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STEPNEY RD SPALLUMCHEEN VOE 1B8

Area-Jurisdiction-Roll: 20-323-00801.000

 Favourite

 Compare

 Print



Total value

\$170,492 ⓘ

2024 assessment as of July 1, 2023

Land	\$170,492
Buildings	\$0
Previous year value	\$170,492
Land	\$170,492
Buildings	\$0

Questions about this property assessment? Visit our Property assessment FAQ (<https://info.bcasessment.ca/faq>) or Contact us (</property/contact>) if you have questions.

Visit our BC Assessment interactive market trends maps (<http://bcagis.maps.arcgis.com/apps/MapSeries/index.html?appid=ba3d56fb4c144727896b25989bdf00d2>) for assessed value changes in your area, and our Property tax page (<https://info.bcasessment.ca/propertytax>) to learn what your assessment value change means for your property taxes.

Find out more about BC Assessment's Data Services (<https://info.bcasessment.ca/services-and-products/Pages/Buy-and-Exchange-Data.aspx>)

Property information

Are the property details correct?

Year built

Description	Grain & Forage (Vacant)
Bedrooms	
Baths	
Carports	
Garages	
Land size	142 Acres
First floor area	
Second floor area	
Basement finish area	
Strata area	
Building storeys	
Gross leasable area	
Net leasable area	
No.of apartment units	

Legal description and parcel ID

PART SW1/4, SECTION 35, TOWNSHIP 35, KAMLOOPS DIV
OF YALE LAND DISTRICT, EXCEPT PLAN A403
PID: 014-003-449

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width
Length
Total area

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Neighbouring properties

Sample sold properties

Sample sold properties are provided for information and as examples only.



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BC ASSESSMENT

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5250 STEPNEY RD SPALLUMCHEEN VOE 1B8

Area-Jurisdiction-Roll: 20-323-00770.000



Total value \$1,846 ^[1]

2024 assessment as of July 1, 2023

Land \$1,846

Buildings \$0

Previous year value \$1,846

Land \$1,846

Buildings \$0

Property information

Year built

Description Grain & Forage (Vacant)

Bedrooms

Baths

Carports

Garages

Land size 13.97 Acres

First floor area

Second floor area

Basement finish area

Strata area

Building storeys

Gross leasable area

Net leasable area

No.of apartment units

Legal description and parcel ID

LOT 3, PLAN KAP2080, SECTION 26, TOWNSHIP 35,
KAMLOOPS DIV OF YALE LAND DISTRICT

PID: 011-255-188

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years



Manufactured home



Width

Length


Total area

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-  Store and access favourite properties across devices
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- [1] Farm land - value set by BC Regulation 411/95
- [2] Assessment Act, Section 20 - Major industry building - value set by legislated Major Industrial Properties Manual and BC Regulation 53/2016
- [3] Managed forest land and cut timber - values set by BC Regulation 90/2000
- [4] Land and/or building values set by legislated cost manual or regulation
- [5] This property was sold with multiple properties. For more information, contact BC Assessment

BC ASSESSMENT

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5591 STEPNEY RD SPALLUMCHEEN V0E 1B8

Area-Jurisdiction-Roll: 20-323-00905.000



Total value

\$803,708 ^[1]

2024 assessment as of July 1, 2023

Land

\$548,708

Buildings

\$255,000

Previous year value

\$816,608

Land

\$548,708

Buildings

\$267,900

Property information

Year built

1901

Description

2 STY SFD - Before 1930 - Basic

Bedrooms

4

Baths

3

Carports

Garages

Land size

334.4 Acres

First floor area

1,461

Second floor area

1,080

Basement finish area

Strata area

Building storeys

2

Gross leasable area

Net leasable area

No.of apartment units

Legal description and parcel ID

DISTRICT LOT 94, OSOYOOS DIV OF YALE LAND DISTRICT

PID: 011-498-986

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years


Manufactured home


Width


Length


Total area

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Register with BC Assessment



Search properties on a map



Store and access favourite properties across devices



Compare property information and assessment values



View recently viewed properties

[1] Farm land - value set by BC Regulation 411/95


[2] Assessment Act, Section 20 - Major industry building - value set by legislated Major Industrial Properties Manual and BC Regulation 53/2016

[3] Managed forest land and cut timber - values set by BC Regulation 90/2000

[4] Land and/or building values set by legislated cost manual or regulation

[5] This property was sold with multiple properties. For more information, contact BC Assessment

This is Exhibit “ C ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

The Bank of Nova Scotia
Commercial and Agricultural Banking
#100, 2777 Gladwin Road
ABBOTSFORD, British Columbia
V2T 4V1



April 29, 2022

Bifano Consolidated Inc.
Nata Farms Inc.
Spallumcheen Farms Ltd.
5385 Back Enderby Road
ARMSTRONG, BC
VOE 1B8

Dear Mr Bifano:

We confirm that, subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to **Bifano Consolidated Inc.** ("Bifano"), and **Nata Farms Inc.** ("Nata"), and **Spallumcheen Farms Ltd.** ("Spallumcheen"), (each a "Borrower" and collectively the "Borrowers" and unless otherwise specifically provided, the singular includes the plural and vice versa), on the terms and conditions set out in the attached Terms and Conditions Sheet and in Schedule "A", it being understood that the obligations of the Borrowers hereunder and under any loan documents referenced herein shall be joint and several.

If the arrangements set out in this Commitment Letter are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on **May 25, 2022** after which date this offer will lapse.

This Commitment Letter amends and restates all previous commitments issued by the Bank to any Borrower.

Yours truly,

A handwritten signature in black ink, appearing to read "Lee Gogal", written over a horizontal line.

Lee Gogal
Director & Group Lead

Trevor Harris
Associate Director

The bank intends electronic signatures to have the same effect as handwritten signatures.

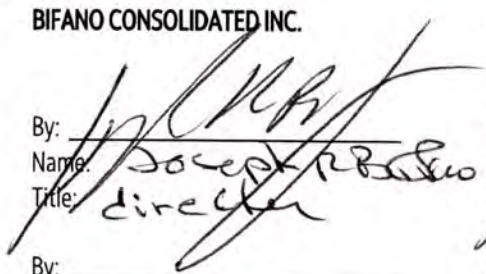
By signing this Commitment Letter you confirm that the products and services offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended.

To the extent applicable, by signing this Commitment Letter you agree that all security documents that you have previously delivered to the Bank will apply to the Credits, you ratify and confirm those documents and, in the case of any Guarantor, you consent to changes to previously existing credit facilities.

The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" are hereby acknowledged and accepted on May 4, 2022 by each of Bifano, Nata, and Spallumcheen.

BORROWERS AND GUARANTORS:

BIFANO CONSOLIDATED INC.

By: 
Name: Joseph R. Bifano
Title: director

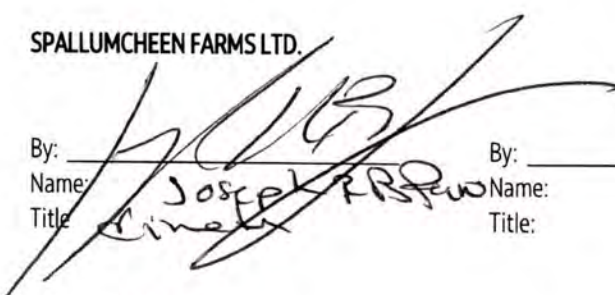
By: _____
Name: _____
Title: _____

NATA FARMS INC.

By: 
Name: Joseph R. Bifano
Title: director

By: _____
Name: _____
Title: _____

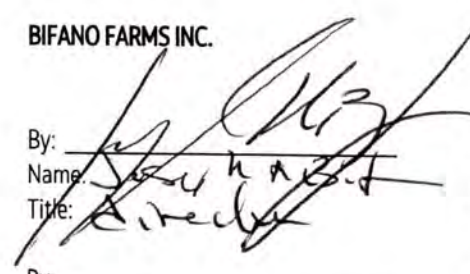
SPALLUMCHEEN FARMS LTD.

By: 
Name: Joseph R. Bifano
Title: director

By: _____
Name: _____
Title: _____

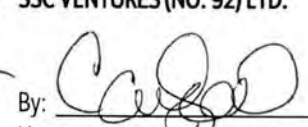
GUARANTORS:

BIFANO FARMS INC.

By: 
Name: Joseph R. Bifano
Title: director

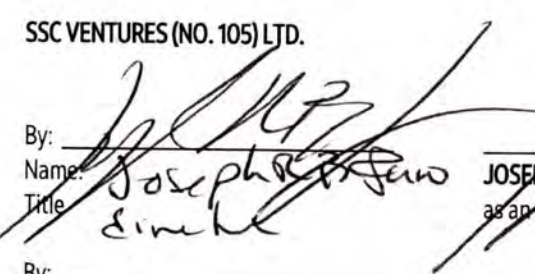
By: _____
Name: _____
Title: _____

SSC VENTURES (NO. 92) LTD.

By: 
Name: Caroline Bifano
Title: president

By: _____
Name: _____
Title: _____

SSC VENTURES (NO. 105) LTD.

By: 
Name: Joseph R. Bifano
Title: director

By: _____
Name: _____
Title: _____


JOSEPH BIFANO,
as an individual

TERMS AND CONDITIONS

CREDIT NUMBER: 01

AUTHORIZED AMOUNT: \$5,000,000

TYPE

Operating – Overdraft

PURPOSE

To assist with financing operating expenses of each of the Borrowers

CURRENCY

Canadian dollars.

AVAILMENT

Subject to the other terms and conditions of this Commitment Letter, each Borrower may avail some or all of the Credit by way of direct advances evidenced by an Overdraft Lending Agreement.

For greater certainty, the aggregate principal amount that can be availed by all Borrowers is the Authorized Amount set out above.

INTEREST RATE/FEEES

The Bank's prime lending rate from time to time, plus 0% per annum with interest payable monthly by each Borrower on the balance owed by that Borrower.

REPAYMENT

Advances are repayable on demand by the relevant Borrower.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

From each Borrower availing the credit an Overdraft Lending Agreement.

SPECIFIC CONDITION

Any advance greater than \$3,500,000 is subject to the Borrower having delivered to the Bank a pro forma Borrowing Base Certificate of the Borrowers (based on the financial information and reporting of the Borrowers delivered to the Bank for the period ending March 31, 2022), with supporting aged listings of accounts receivable, accounts payable and inventory, in form and substance satisfactory to the Bank and confirming a total Borrowing Base greater than \$5,000,000.

CREDIT NUMBER: 02

AUTHORIZED AMOUNT: \$750,000

TYPE

Scotiabank VISA Business Card.

PURPOSE

To assist in financing the day-to-day expenses of each of the Borrowers.

CURRENCY

Canadian dollars.

TERMS AND CONDITIONS

As set out in the Cardholder Agreement between each of the Borrowers and the Bank. For the avoidance of doubt, the Bank may demand repayment by the Borrowers of the outstanding amount of the Scotiabank VISA Business Card at any time.

For greater certainty, the aggregate principal amount that can be availed by all Borrowers is the Authorized Amount set out above.

CREDIT NUMBER: 03

AUTHORIZED AMOUNT: \$38,500,000

TYPE

Revolving Term, convertible to a Non-Revolving Term facility, subject to Term-Out triggers (refer AVAILMENT section below)

PURPOSE

To assist with the purchase of eligible assets including dairy quota, equipment, breeding stock and/or other assets including farmlands on an ongoing basis.

CURRENCY

Canadian dollars.

AVAILMENTRevolving Advances

The Borrower may avail the undrawn portion of the Credit by way of direct advances and is subject to a minimum availment amount of \$250,000.

Borrower Requested Term-Out (Non-Revolving Advance)

At maturity, except for the initial advance, the Borrower may elect to convert the aggregate advances under the Credit to a non-revolving term facility provided total aggregate Revolving Advances are greater than or equal to \$500,000.

The non-revolving term facility will be a carve-out of the Credit. The Borrower may avail the facility by way of an advance evidenced by Term Promissory Note and/or Banker's Acceptances in Canadian dollars (in multiples of \$100,000 and having terms of maturity of 90 days without grace).

Conversion of an advance to a non-revolving facility is permitted at any time prior to maturity if an individual revolving or lease advance is greater than or equal to \$500,000. Advance cannot exceed Credit's Authorized Amount and/or the Available limit.

Bank Required Term-Out (Non-Revolving Advance)

Annually, at the Bank's discretion, aggregate outstanding Revolving Advances may be required to come under repayment and be set-up as non-revolving carve-outs under the Credit. The Borrower may avail the facility by way of

an advance evidenced by Term Promissory Note and/or Banker's Acceptances in Canadian dollars (in multiples of \$100,000 and having terms of maturity of 90 days without grace).

INTEREST RATE

Revolving Advances

The Bank's prime lending rate from time to time plus 0% with interest payable monthly.

Non-Revolving Advances

Floating: The Bank's Prime Lending Rate from time to time, plus 0% per annum with interest payable monthly.

Fixed: The Borrower has the option to fix the interest rate at the time of term-out, subject to availability. Rates will be quoted upon request.

Bankers' Acceptance Fee: A bankers' acceptance fee of 1.10% per annum, subject to a minimum fee of \$500 per avilment, payable at the time of each avilment.

MATURITY DATE

Revolving and Non-Revolving Advances

April 30, 2023

FEES

Revolving Advances

A Drawdown Fee of \$200 is payable by the Borrower at each advance.

Non-Revolving Advances

A Drawdown Fee is not applicable if term-out is to amalgamate existing Revolving Term Advances (either Borrower Requested or Bank Required).

A Drawdown Fee of \$200 is payable by the Borrower when the advance is not a conversion of existing Revolving Advances and the requested advance meets the Borrower Requested minimum Availment amount.

REPAYMENT

Revolving Advances

The Credit will revolve, and the principal may be drawn, repaid and redrawn at any time until **April 30, 2023** (the "Maturity Date") when, unless the Credit is extended or converted to a non-revolving term as outlined below, the Credit will be cancelled and all revolving amounts outstanding or accrued will be payable.

The Credit is subject to annual review and may be extended for successive periods of up to 364 days or 1 year at that time.

Non-Revolving Advances

Non-Revolving term-outs are repayable in equal monthly payments of principal plus interest or blended principal and interest commencing 30 days after drawdown and the balance of principal and accrued interest outstanding due in full on the last month of the term. The maximum term is 1 year and the maximum amortization will be determined using a weighted average amortization of all assets financed under the non-revolving facility.

Existing Advances

Draw #1: The advance of the Credit (\$29,459,308) is repayable in equal monthly instalments of principal and interest

(\$124,020), with a final payment of the balance of principal and accrued interest due at the (May 14, 2022). The original term of such advance is 1 year, and the remaining amortization period is 24 years, 1 month. New fixed pricing is available at maturity as applicable.

Draw #2: The advance of the Credit (\$4,132,723) is repayable in equal monthly instalments of principal (\$23,967) plus interest, with a final payment of the balance of principal and accrued interest due at the Maturity Date of April 30, 2023. The original term of such advance is 1 year, and the remaining amortization period is 14 years 5 months.

Subsequent Advances

Non-Revolving term-outs are repayable in equal monthly, quarterly, semi-annual, annual payment(s) of principal plus interest commencing 30 days from the date of such advance with a final payment of the balance of principal and accrued interest due at the Maturity Date. The maximum term is 5 years, and the maximum amortization period will be determined using a weighted average amortization period of all assets financed under the non-revolving facility per the following schedule:

Nature of asset financed	Maximum Amortization period
New and used power equipment	10 years
New and used other equipment	7 years
New and used trucks	7 years
Dairy Cattle	7 years
Land/Building Improvement	25 years
Quota	15 years
Share Buyout (one-time occurrence)	7 years

CASH SWEEP

In addition to scheduled instalments of principal, an annual bulk cash payment equal to 75% of Surplus Cash Flow is to be applied as a permanent reduction in the Credit in each fiscal year of the Borrowers, up to a maximum amount of \$400,000 for fiscal 2021 year end and increasing to \$1,500,000 for fiscal 2022 year end and each fiscal year thereafter. "Surplus Cash Flow" is defined as an amount equal to EBITDA for such period less the following amounts with respect to such period (i) cash interest expense; (ii) amounts paid in cash in respect of taxes (iii) scheduled payments of principal on Debt for the applicable period (including all capital lease payments to the extent not otherwise deducted in determining EBITDA; (iv) optional prepayments of the Revolving Credit Loans to the extent accompanied by a permanent reduction in the Revolving Commitments; (v) payments of dividends, withdrawals, bonuses, repayment of related party loans, advances to shareholders, management or affiliates by the Borrower to the extent that such amount is less than \$800,000 with respect to such period, (vi) and extraordinary, non-recurring or unusual losses in cash to the extent added back to net income in determining EBITDA, plus extraordinary, non-recurring or unusual gains in cash to the extent deducted from net income in determining EBITDA. Surplus Cash Flow is to be calculated annually based upon the Borrowers' year-end financial

statements prepared under review engagement, and each such annual bulk cash payment shall be paid no later than 365 days after Bifano's fiscal year end.

PREPAYMENT

Direct Advances

Prepayment is permitted without penalty at any time in whole or in part.

Prepayments are to be applied against instalments of principal in the inverse order of their maturities.

Banker's Acceptances

No prepayments are permitted during the term of any banker's acceptance.

Fixed Rate Advances

Prepayment, in whole or in part, is permitted at any time. In addition to any other amount then payable by the Borrowers pursuant to the terms hereof (including, without limitation, accrued interest) in respect of the amount being prepaid (the "**Prepayment Amount**"), the Borrowers shall pay to the Bank an amount equal to the greater of:

- (i) three months simple interest on the Prepayment Amount at the rate applicable to the relevant advance being prepaid, and
- (ii) the Bank's funding loss, where "funding loss" means, in respect of the advance being prepaid, any loss, cost or expense which may be incurred by the Bank by reason of the reemployment of the funds acquired by the Bank to fund such advance for the period commencing on, and including, the date on which the Prepayment Amount is paid to the Bank to, but excluding, the scheduled repayment date of the relevant advance.

SPECIFIC CONDITIONS

The following conditions are to be met to the satisfaction of the Bank prior to any advances or availments being made under this Credit:

Land Advances

Receipt by the Bank of a copy of the appraisal in respect of the real property being purchased, completed by an AACI certified appraiser, evidencing a minimum appraised value acceptable to the Bank.

Receipt by the Bank of a copy of the duly executed purchase and sale agreement.

Advances for real estate are not to exceed the lower of 100% of the estimated market value, or (ii) the purchase price of the asset being financed, exclusive of the applicable taxes.

Receipt of an up-to-date Environmental Risk Checklist Questionnaires over the properties to be pledged to the bank to confirm no outstanding environmental issues, satisfactory to the Bank.

Improvement/ Construction Advances

Advances will be made upon receipt of invoices, satisfactory to the Bank.

Advances for improvement and construction costs are not to exceed 100% of the purchase price of the asset being financed.

Advances will be made upon receipt by the Bank of title searches, ensuring continued ranking of the Bank's security interests.

Advances will be made upon receipt by the Bank of an up-to-date real estate title opinion, ensuring continued priority ranking of the Bank's security interests in all real estate pledged to the Bank.

The Bank is not obligated to make loan advances if there is any construction lien registered against the property or if written notice of a construction lien is received by the Bank. The Bank will supply such information to lien claimants as may be required under the applicable lien legislation.

The Borrowers will take all steps necessary to comply with applicable builder's lien legislation and provide the Bank with evidence of such compliance as requested from time to time; and establish with the Bank a holdback account in respect of each contract under which a lien may arise.

As a condition precedent to each such advance, the Borrowers will give notice to the Bank of the holdback then required in respect of each such contract; and direct the Bank to deposit such holdbacks (from the proceeds of the requested advance) into the Borrowers' respective holdback accounts (and for greater certainty, this depositing of funds does not constitute a holdback by the Bank).

Quota Advances

Confirmation that all security is duly executed and registered as required.

Advances for dairy quota are not to exceed 100% of the purchase price of the asset being financed.

Receipt by the Bank of a copy of the invoice/ bill of sale evidencing a quota purchase price that is less than the amount of any such advance.

Receipt by the Bank of a copy of a confirmation letter from the British Columbia Milk Marketing Board in relation to the additional milk quota being purchased/ financed.

Equipment Advances

Advances are to be funded upon receipt of purchase and sale agreements and/or invoices for purchases.

Advances are not to exceed 100% of the purchase price of the asset being financed, exclusive of the applicable taxes.

The value of any used equipment purchased for \$250,000 or more is to be substantiated by a written appraisal conducted by an appraiser acceptable to the Bank.

Livestock Advances

Advances are to be funded upon receipt of purchase and sale agreements and/or invoices for purchases. Advances are not to exceed 100% of the purchase price of the asset being financed, exclusive of the

applicable taxes.

Share Buyout

Receipt of duly executed share purchase agreements with respect to the purchase of 850 Class "B" Non-Voting Common Shares and 20 Class "A" Voting Common Shares (the "Share Purchase") by Joseph Bifano from Katherine Joan Heal as deemed acceptable by the Bank

Receipt of a revised Organization Chart effecting for the Share Purchase on a pro-forma basis as deemed acceptable by the Bank.

SPECIFIC SECURITY

The following security, to be held as General Security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit(s):

Term Loan (Equipment)

Fixtures Notice/Notice of Security Interest registered on title to the land to which any personal property financed by the Bank may become affixed, except where the land is mortgaged to the Bank.

Term Loan (Farmlands, Building and/or Land Improvements)

Collateral Mortgage in the amount of the draw down providing a first fixed charge with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee over farm properties acquired. (insurance not applicable to bare lands).

Fixtures Notice/Notice of Security Interest registered on title to the land to which any personal property financed by the Bank may become affixed, except where the land is mortgaged to the Bank.

CREDIT NUMBER: 04

AUTHORIZED AMOUNT: \$3,000,000

TYPE

Equipment Lease Financing - Revolving Line

PURPOSE

To finance new and used trucks, trailers, agricultural equipment and additional like equipment.

CURRENCY

Canadian dollars.

AVAILMENT

The Borrower may avail the credit Lease Agreement Lease Agreement or Equipment Finance Contract with appropriate supporting documentation.

INTEREST RATE

Leasing Floating Rate: The base payment applicable to each contract will be set on the commencement date of the contract based upon rates available and quoted at the time of request and payable monthly. The total periodic payment will be adjusted monthly with changes in the Bank's Prime Lending Rate.

Leasing Fixed Rate: The payment applicable to each contract will be set on the commencement date of the contract based on Scotia Leasing's Base Rate Plus a spread in effect at the time, calculated and payable monthly. The spread over the Base Rate will depend on the amount and term of the transaction.

FEES

Scotia Leasing Documentation fee of \$550.00 plus applicable taxes per transaction. Fixture Filing Fee is payable as required.

MATURITY DATE

April 30, 2023 (or date which may be extended by the Bank at its sole discretion). The undrawn portion of the credit is subject to annual review.

REPAYMENT

Leases and/or equipment finance contracts are repayable in accordance with the terms and conditions of each respective lease, or equipment finance contract. The maximum term of any such lease or equipment finance contract shall not exceed 5 years. The total amortization of any such transaction shall not exceed 7 years. The maximum purchase option/balloon payment of any such lease or equipment finance contract shall not exceed \$1.00 of the original equipment cost. Actual terms will reflect economic life and residual value of assets financed.

The payment applicable to each fixed or floating rate contract will be set on the commencement date of the contract based on Scotia's Prime Lending Rate or Scotia Leasing's Base Rate at the time of the advance, calculated and payable monthly. The spread over Prime / Base Rate will depend on the amount and term of the transaction and will be set by Scotia Leasing at the time of advance.

At the end of the term to option, the Borrower shall elect one of the following options:

- A. Purchase the Equipment for 20% of the original cost; or
- B. Identify a 3rd party acceptable to the Bank to purchase the Equipment from the Bank for 20% of the original cost; or
- C. Rent the Equipment for an additional term. A revised rent payment will be calculated and subject to credit approval by the Bank.

Used Equipment

Financing of used assets to be considered on a case-by-case basis by Scotia Leasing with term and residual to be set by Scotia Leasing with remaining economic life taken into consideration.

Used equipment is permitted with possible adjustments to the facility's maximum term and amortization. If the used equipment is not from a dealer or auction house a formal appraisal may be requested at the Bank's discretion with any additional fees for the account of the Borrower.

PREPAYMENT

Leases and/or conditional sale contracts are not cancellable and no prepayments of principal are permitted.

SPECIFIC SECURITY

The following security and evidence of corporate authority for the security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availing being made under the Credit.

Lease Agreement(s)/Conditional Sale Contract(s)/Equipment Finance Contract(s) covering equipment

leased/financed together with supporting documentation as required by the Bank.

Resolution of directors authorizing security/leases, conditional sale and equipment finance contracts as required.

Certificate of Incumbency of signing officers to sign security/leases/conditional sale/equipment finance contract(s), as required.

Comprehensive General Liability insurance for a minimum of \$2,000,000 per occurrence, with the Bank as an additional named insured.

All Risk Insurance for covering the replacement value of the equipment with the Bank recorded as Loss Payee and Additional Insured.

Vehicle collision and comprehensive all perils liability damage coverage to vehicle for \$2,000,000 per occurrence showing the Bank as Loss Payee and Additional Insured.

SPECIFIC CONDITIONS

The following conditions are to be met to the satisfaction of the Bank prior to any advances or availments being made under this Credit:

Prior to drawdown, Scotia Leasing is to be satisfied with the quality, value and eligibility of all assets to be leased under lease agreements or purchased under equipment finance contracts.

The amount of financing shall not exceed 100.00% of the cost of the equipment being financed exclusive of relative taxes.

Invoice and PPSA Requirements

In case of a Lease, invoices must show "Sold To" The Bank of Nova Scotia and shipped to Borrower's name and address, and be PST exempt in Provinces where provincial sales tax is applicable. Note: Scotia Leasing does not reimburse PST paid by the Borrower to the supplier.

A perfected PPSA registration in which the Bank obtains a Purchase Money Security Interest over the equipment being financed should be completed in all provinces where the equipment is located. The registration(s) should comply with all of the registration requirements specified in the PPSA legislation applicable in that province(s). If a perfected registration is not obtained, a search will be conducted and waivers from secured creditors will be required.

For sale and leaseback and equipment finance transactions, the "Sold To" on the invoices must reflect the Borrower's full legal name. A perfected first priority registration will be obtained in all provinces by conducting searches and obtaining waivers from any prior secured creditors where applicable.

GENERAL SECURITY, TERMS, AND CONDITIONS APPLICABLE TO ALL CREDITS

GENERAL SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credits. For greater certainty, the following security shall secure all of the Borrowers and/or Guarantors (any one a "Pledger", as applicable) present

and future debts and other obligations to the Bank of any kind whatsoever, whether described in this Commitment Letter or any other agreement between a Pledger and the Bank:

General Security Agreement providing a first charge over all of the present and future personal property and undertakings of each of the Borrowers being Bifano Consolidated Inc. and Nata Farms Inc. and Spallumcheen Farms Ltd, with any other insurance coverage the Bank may reasonably require, loss if any, payable to the Bank.

General Security Agreement providing a first charge over all of the present and future personal property and undertakings of each of the Guarantors, Bifano Farms Inc and SSC Ventures (No. 92) Ltd with any other insurance coverage the Bank may reasonably require, loss if any, payable to the Bank.

Security under Section 427 of the Bank Act with appropriate insurance coverage, loss, if any, payable to the Bank, from each of the Borrowers, Bifano Consolidated Inc. and Nata Farms Inc. and Spallumcheen Farms Ltd.

Collateral mortgage and assignments of rents in an unlimited amount providing a first fixed charge over the real property located at 5385 Back Enderby Road, Armstrong, British Columbia (PID: 030-083-893), with replacement cost fire insurance coverage, if any, payable to the Bank as mortgagee, granted by Bifano.

Collateral mortgage and assignments of rents in an unlimited amount providing a first fixed charge over the real property located at 5591 Stepney Road, Armstrong, British Columbia (PIDs: 011-498-986, 011-367-784, 011-367-750, 011-291-761, 011-255-188, 013-795-848 and 014-003-449), with replacement cost fire insurance coverage, if any, payable to the Bank as mortgagee, granted by Spallumcheen.

Guarantees given by the following (with corporate seals and resolutions as applicable) in the amounts shown:

<u>GUARANTORS NAME:</u>	<u>HELD IN SUPPORT OF:</u>	<u>AMOUNT</u>
Nata Farms Inc*	Bifano Consolidated Inc	Unlimited
Spallumcheen Farms Ltd*	Bifano Consolidated Inc	Unlimited
Bifano Consolidated Inc*	Nata Farms Inc	Unlimited
Spallumcheen Farms Ltd*	Nata Farms Inc	Unlimited
Nata Farms Inc*	Spallumcheen Farms Ltd	Unlimited
Bifano Consolidated Inc*	Spallumcheen Farms Ltd	Unlimited
Bifano Farms Inc*	All Borrowers	Unlimited
SSC Ventures (No. 92) Ltd*	All Borrowers	Unlimited
SSC Ventures (No. 105) Ltd#	All Borrowers	Limited
Mr Joseph Bifano	All Borrowers	\$10,000,000

* Guarantees are Secured by:

All collateral pledged by the Borrower or the Guarantor to the bank

Guarantee is Limited and Secured by:

Corporate guarantee of SSC Ventures (No. 105) Ltd is limited to the milk quota held on behalf of the beneficial owner, Bifano Farms Inc., in support of the obligations of the Borrowers signed by SSC Ventures (No. 105) Ltd and is secured by:

An assignment of the sale proceeds of all milk quota of SSC Ventures (No. 105) Ltd. held on behalf of the beneficial owner, Bifano Farms Inc., providing a first charge over such milk quota, acknowledged by the British Columbia Milk Marketing Board.

Assignment of the British Columbia Milk Marketing Board monthly milk cheque to SSC Ventures (No. 105) Ltd. held on behalf of the beneficial owner, Bifano Farms Inc., acknowledged by British Columbia Milk Marketing Board.

Beneficial change agreement and nominee direction in respect of the milk quota held by SSC Ventures (No. 105) Ltd., as nominee, on behalf of Bifano Farms Inc., as beneficial owner.

Should a significant change to the quota system occur, the Borrowers agree to accelerate repayment of the Credits to the Bank, if specified by the Bank, in order to maintain adequate security and/or cash flow coverage, regardless of continued production levels.

Unspecified Postponement Agreement from each of SSC Ventures (No. 92) Ltd., Friesland Farms Ltd., Joseph Bifano, Anne Honeyman, James Honeyman, and each preferred shareholder (Nata Farms Inc and Bifano Farms Inc, Spallumcheen Farms Ltd).

Bankers' acceptance agreement with power of attorney from each of Bifano Consolidated Inc. and Nata Farms Inc. and Spallumcheen Farms Ltd,

GENERAL CONDITIONS

In this Commitment Letter, "**Corporate Guarantors**" means Bifano Farms Inc., SSC Ventures (No. 92) Ltd. and SSC Ventures (No. 105) Ltd., "**Personal Guarantor**" means Joseph Bifano, and "**Guarantors**" means any or all of them.

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

In the following provisions:

Any determination or calculation made on a "**Combined**" basis relates to Bifano, Nata and Spallumcheen, on a combined, consolidated basis.

Operating advances are not to exceed at any time the lesser of the operating limit or the Borrowing Base which is defined as 75% of good quality accounts receivable (excluding accounts over 90 days, accounts due by employees, offsets and inter-company accounts), plus 75% of inventory, less security interests or charges held by other parties and specific payables which have or may have priority over the Bank's security.

"**EBITDA**" means net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization expenses during the period.

"**Tangible Net Worth**" means the sum of share capital, earned and contributed surplus, book value of real estate and quota in excess of \$24,861,000, and postponed funds, less (i) amounts due from officers and/or affiliates, (ii) investments in affiliates, and (iii) intangible assets (as determined by the Bank).

The ratio of combined Debt (including future taxes) to Tangible Net Worth (TNW) is not to exceed 2.50:1 at any time until July 31, 2023, then 2.00:1 thereafter, calculated on a rolling 4-quarter basis as at April 30, July 31, October 31 and January 31 quarter end.

The combined ratio of EBITDA plus net withdrawal/contributions of shareholders to the sum of cash interest expense (including without duplication the interest component of capital lease expense) and the aggregate of all principal payments on Debt (but excluding any amount repaid by the Borrowers to the Bank's cash sweep condition during such period) and indebtedness for borrowed money that is satisfactorily subordinated to the interests of the Bank, calculated on a rolling 4-quarter basis as at April 30, July 31, October 31 and January 31 quarter end, is to be maintained at a minimum of 1.10:1.

Equity Cure

The Borrowers may, at any time within 30 days after delivery of any financial reporting required under this Commitment Letter for any applicable period which reporting evidences a failure to comply with either of the two financial covenants set out above, issue additional equity interests or incur subordinated indebtedness and apply the proceeds of such equity injection to the Combined EBITDA, to the Combined Tangible Net Worth or in reduction of Combined liabilities for the purposes of curing any such failure to comply with either financial covenant, in all cases provided that (i) any cash proceeds received by the Borrowers from such equity injection are applied in repayment of advances under the Credits, (ii) the issuance of equity interests in connection with such equity injection shall not result in a change in control of the Borrowers or Corporate Guarantors, and (iii) to the extent applicable, all of the amounts provided to the Borrowers in connection with such equity injection (and each of the parties providing such amounts) shall be subject to satisfactory assignment and postponement terms in favour of the Bank. The Borrowers may not undertake equity cures in consecutive periods or more than three equity cures over the life of this Commitment Letter.

Without the Bank's prior written consent:

No dividends, withdrawals, bonuses, repayment of related party loans or advances to shareholders, management or affiliates to exceed \$800,000 per annum..

No redemption of preferred shares is permitted by the Borrowers or Corporate Guarantors nor are they permitted to be pledged in support of obligations to a creditor that is not the Bank.

No mergers, acquisitions or change in the line of business of any Borrower or any Corporate Guarantor are permitted.

Shall not create, issue, incur, assume or permit to exist any security interests on any of their respective property, undertakings or assets which are or are purported to be subject to security interests under this Commitment Letter, other than encumbrances permitted to secure indebtedness permitted within this agreement, or liens otherwise incurred from time to time in the ordinary course of business.

Shall not create, incur, assume or permit to exist any indebtedness except for the Credit Facilities, any amounts authorized under this Commitment Letter, amounts under capital and operating leases not to exceed \$8,500,000 (equal to \$7,935,315 as at January 31, 2022), amounts under other secured obligations not to exceed \$1,000,000, or liabilities and obligations incurred from time to time in the ordinary course of business.

No change in the principal owners or management of the farming operation of the Borrowers or Corporate Guarantors is permitted.

No portion of a Borrower's or Corporate Guarantor's quota may be sold. If the Bank consents to sale, the proceeds shall be applied in reduction of the liabilities of the Borrowers and the Guarantors to the Bank.

No real property of the Borrowers or Corporate Guarantors mortgaged to the Bank may be merged with any other real property nor can titles to such real property be consolidated in any other way or transferred to any other party.

The monthly milk cheque of the Borrowers and Corporate Guarantors (as applicable) is to be direct deposited in a Scotiabank account.

The Borrowers and Corporate Guarantors shall permit the Bank, or its agents, access, at any time, to all premises where the collateral covered by the Bank's security may be located and the Bank or its agents may inspect such collateral and all related documents and records.

The Borrowers shall, as soon as reasonably practicable, promptly notify the Bank of any event, circumstance or condition that has had or is reasonably likely to have a material adverse effect.

For ongoing credit risk management purposes, all operating accounts of the Borrowers shall be maintained with the Bank as long as any Borrower has any operating line facilities with the Bank.

If there is any change from the accounting policies, practices and calculation methods used by any of the Borrowers or Corporate Guarantors in preparing any part of its financial statements for the fiscal year most recently completed before the date of this Commitment Letter, the Borrowers shall provide the Bank with all information that the Bank requires to ensure that reporting provided to the Bank after any changes are comparable to previous reporting. In addition, all calculations made for the purposes of this Commitment Letter shall continue to be made based on the accounting policies, practices and calculation methods in effect as at the date of the financial statements for the most recently completed fiscal year of the Borrowers. In the event of a change in the accounting policies, practices and calculation methods, the Bank retains the right (a) to act on any default under the financial covenants or any other terms and conditions as defined in this Commitment Letter that is disclosed by applying the previous accounting policies, practices and calculation methods and (b) at its discretion and acting reasonably, to amend/reset covenants that are affected by the change.

Additional terms and conditions in Schedule A are to apply.

GENERAL BORROWER REPORTING CONDITIONS

Until all debts and liabilities under the Credits have been discharged in full, the Borrowers will provide the Bank with the following:

Annual consolidated review engagement financial statements of the Borrowers, prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") applicable at the date of the financial statements, within 120 days of the Borrowers' fiscal year end.

Annual unconsolidated Compilation Engagement financial statements of Bifano, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of the Borrowers' fiscal year end.

Annual unconsolidated Compilation Engagement financial statements of Nata, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of the Borrowers' fiscal year end.

Annual unconsolidated Compilation Engagement financial statements of Spallumcheen, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of the Borrowers' fiscal year end.

Quarterly interim financial statements within 45 days of period end.

Quarterly Borrowing Base Certificate with aged listings of accounts receivables, accounts payables and details of all inventory within 45 days of period end

A copy of the milk production statements of each of Nata and Bifano Farms Inc. within 120 days of the Borrowers' fiscal year (together with the annual financial statements of the Borrowers), or upon request of the Bank.

A summary of the personal finances of the Personal Guarantor, upon request of the Bank.

A copy of a renewal certificate in respect of the Borrowers' insurance, with the Bank listed as loss payee, annually.

FEES

A commitment fee of \$15,000 is payable by the Borrowers upon acceptance of this restated Commitment Letter.

A renewal fee of \$2,500 is payable by the Borrowers, annually.

In addition to, and not in substitution for the obligations of the Borrowers and the rights of the Bank upon the occurrence of an event of default herein, the Borrowers shall pay to the Bank administration fees of:

\$500 per occurrence (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrowers are late in providing the Bank with financial or other information required herein.

\$1,500 per occurrence (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrowers are in default of any other term or condition contained in this Commitment Letter or in any other agreement to which any Borrowers and the Bank are parties.

The imposition or collection of fees does not constitute an express or implied waiver by the Bank of any event of default or any of the terms or conditions of the lending arrangements, security or rights arising from any default. Fees may be charged to any of the Borrowers' deposit accounts when incurred.

SCHEDULE A

ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO ALL CREDITS

In this Schedule A, any reference to a "Borrower" or the "Borrower" shall be a reference to all of the Borrowers (including Spallumcheen, following its acquisition by Bifano) or to a specific Borrower, as the case may be and as applicable depending on the context of such reference.

In the event of a conflict, the terms and conditions of any lease agreement and/or conditional sale contract supersede the terms and conditions in this Schedule A with regard to such leases and/or conditional sale contracts.

1. Calculation and Payment of Interest

Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a calendar year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

2. Interest on Overdue Interest

Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

3. Interest Rate / Bankers Acceptance Spread

The interest rate spread is subject to change at the Bank's absolute discretion at any time and from time to time on thirty (30) days' prior written notice to the Borrowers from the Bank, provided that, if an event of default has occurred, the interest rate spread is subject to change at the Bank's absolute discretion at any time and from time to time on prior written notice to the Borrowers from the Bank.

4. Indemnity Provision

If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrowers of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any availment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any availment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any availment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrowers shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrowers becoming liable for such Increased Costs, the Borrowers shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of

any document or instrument issued or accepted by the Bank for the account of the Borrowers, including, without limitation, a letter of credit, a letter of guarantee or a bankers' acceptance. Upon any such prepayment, the Borrowers shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

5. Calculation and Payment of Bankers' Acceptance Fee

The fee for the acceptance of each bankers' acceptance will be payable on the face amount of each bankers' acceptance at the time of acceptance of each draft calculated on the basis of a calendar year for the actual number of days elapsed from and including the date of acceptance to the due date of the draft.

6. Environment

Each of the Borrowers agrees:

- (a) to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrowers;
- (b) to allow the Bank access at all times to the business premises of the Borrowers to monitor and inspect all property and business activities of the Borrowers;
- (c) to notify the Bank from time to time of any business activity conducted by the Borrowers which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrowers in any material manner;
- (d) to notify the Bank of any proposed change in the use or occupation of the property of the Borrowers prior to any change occurring;
- (e) to provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrowers and with any other environmental information requested by the Bank from time to time.
- (f) to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrowers fail to do so, the Bank may perform such activities; and
- (g) to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrowers that may be performed for or by the Bank from time to time.

If any Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections 3(d), (e), or (f), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrowers has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrowers of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrowers' compliance with applicable environmental or other regulations, the Borrowers shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrowers under the Commitment Letter.

7. Initial Drawdown

The right of the Borrowers to obtain the initial drawdown under the Credits is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental condition of the Borrowers or any Guarantor of the Borrower.

8. Periodic Review

The obligation of the Bank to make further advances or other accommodation available under any Credits of the Borrowers under which the indebtedness or liability of the Borrowers is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition of the Borrowers or any Guarantor.

9. Evidence of Indebtedness

The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under this Credit, repayments on account thereof and the indebtedness of the Borrowers to the Bank.

10. Acceleration

- (a) All indebtedness and liability of the Borrowers to the Bank payable on demand, is repayable by the Borrowers to the Bank at any time on demand;
- (b) All indebtedness and liability of the Borrowers to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following events of default occurs:
 - (i) the Borrowers or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (ii) there is a breach by the Borrowers or any Guarantor of any other term or condition contained in the Commitment Letter or in any other agreement to which the Borrowers and/or any Guarantor and the Bank are parties;
 - (iii) any default occurs under any security listed in the Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrowers and/or any Guarantor is a party;
 - (iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrowers or any Guarantor and, if instituted against the Borrowers or any Guarantor, are allowed against or consented to by the Borrowers or any Guarantor or are not dismissed or stayed within 60 days after such institution;

- (v) a receiver is appointed over any property of the Borrowers or any Guarantor or any judgement or order or any process of any court becomes enforceable against the Borrowers or any Guarantor or any property of the Borrowers or any Guarantor or any creditor takes possession of any property of the Borrowers or any Guarantor;
- (vi) any course of action is undertaken by the Borrowers or any Guarantor or with respect to the Borrowers or any Guarantor which would result in the Borrowers or Guarantors reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrowers or any Guarantors assets;
- (vii) any guarantee of indebtedness and liability under the Credits is withdrawn, determined to be invalid or otherwise rendered ineffective;
- (viii) any adverse change occurs in the financial condition of the Borrowers or any Guarantor; and
- (ix) any adverse change occurs in the environmental condition of:
 - (A) the Borrowers or any Guarantor of the Borrowers; or
 - (B) any property, equipment, or business activities of the Borrowers or any Guarantor of the Borrowers.

11. Costs

All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation, shall be for the account of the Borrowers and may be charged to the Borrower's deposit account when submitted.

12. Acceptance of electronic copies of collateral documents

The Commitment Letter and any security and other documents relating to the Credits established in it may be executed in counterparts and by different parties in different counterparts, all of which when taken together will constitute a single contract. Subject to applicable conditions precedent, a document will become effective when it has been executed by the Bank (if execution by the Bank is contemplated by the document) and the Bank has received counterparts of the document that, when taken together, bear the signatures of each of the other relevant parties. Delivery of an executed counterpart of a document or a signature page to the document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be as effective as delivery of an originally executed counterpart, but the Bank may from time to time require delivery of originally executed documents. The Bank may create and store copies of documents in any form as part of its business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose. In administering the Credits established in the Commitment Letter and in otherwise dealing with the Borrowers and any Guarantor, the Bank may rely and act on e-mail, telecopier and other electronic communications that it reasonably believes have been sent by or on behalf of the Borrowers or any Guarantor, but the Bank may from time to time require that communications from the Borrowers or any Guarantor be in a non-electronic form specified by the Bank.

13. Representation or Warranty

The Borrowers and each Guarantor represents and warrants to the Bank that all financial and other information (including, without limitation, any financial forecasts) provided to the Bank in connection with the Credits provided pursuant to the Commitment Letter is true and accurate in all material respects and has been prepared in

accordance with GAAP consistently applied, and acknowledges that the offer of credit contained in the Commitment Letter is made in reliance on the truth and accuracy of this information and the representation and warranties above.

14. Discontinuance of Benchmark Rate

Notwithstanding anything to the contrary in this Commitment Letter or any other loan or security document between the Bank and the Borrower, following a Discontinuation Event the Bank may amend the relevant documentation to replace the Benchmark Rate with a Replacement Rate for the next following Interest Period by providing the Borrower with notice thereof, following which the Borrower shall (a) if the relevant credit is an operating facility, have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit plus any accrued interest on the amount prepaid at the end of the then current Interest Period, or (b) if the relevant credit is a term facility or revolving term facility, have the right to prepay the credit in full at the end of the then current Interest Period in accordance with the terms of prepayment set out in the Commitment Letter, including any prepayment fees or penalties.

Definitions Related to Discontinuance of Benchmark Rate

"Authority" shall mean an administrative body that regulates and/or publishes the relevant Benchmark Rate, including any applicable governmental or regulatory body that has the direct or indirect ability to determine whether or not a Benchmark Rate shall be generally used in the market and/or published.

"Benchmark Rate" shall mean any interest rate, fee or charge in a Loan Document that is based on or equivalent to a standard regularly published rate and includes, for greater certainty, LIBOR.

"Discontinuation Event" means (i) an announcement by or on behalf of an Authority that the relevant Benchmark Rate will no longer be used or published, (ii) the relevant Benchmark Rate is not published for five consecutive Business Days and such failure is not reasonably believed to be temporary in nature, or (iii) the Authority has invoked its insufficient submissions policy (for LIBOR) or any policy of similar effect (for any other Benchmark Rates).

"Interest Period" means, for any credit referencing a Benchmark Rate, the period commencing on the applicable date of drawdown or rollover of such credit and ending on the maturity date of such credit.

"Replacement Rate" means an alternate interest rate, fee, or charge, including any positive or negative spread adjustment or method for determining such spread adjustment selected by the Bank, acting reasonably, in each case giving due to consideration to any market convention for similar credit facilities; provided that the Replacement Rate (together with any applicable spread) shall not be less than zero for the purposes of any Loan Documents.

This is Exhibit “ **D** ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GUARANTEE TO THE BANK OF NOVA SCOTIA

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with
BIFANO CONSOLIDATED INC. and NATA FARMS INC.

.....
(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

UNLIMITED dollars
with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.
5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

17. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which the Customer's main account with the Bank is kept.

18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at Chilliwack, BC
this 16th day of March, 2020.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL

BIFANO FARMS INC.

SIGNATURE

SIGNATURE

SIGNATURE

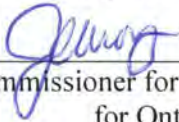
SIGNATURE

SIGNATURE

SIGNATURE


SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

This is Exhibit “ E ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

LIMITED RECOURSE GUARANTEE

This Agreement is made as of March ~~24~~ 2020.

TO: Name: The Bank of Nova Scotia
Address: Shared Services Group, 4715 Tahoe Boulevard, Mississauga, Ontario L4W 0B4
Attention: Lending Services
Facsimile: 1-877-909-7038

RECITALS:

A. Bifano Consolidated Inc. and Nata Farms Inc. (the "**Borrowers**"), as borrowers, Bifano Farms Inc., SSC Ventures (No.92) Ltd., SSC Ventures (No.105) Ltd. and Joseph Bifano, as guarantors, and The Bank of Nova Scotia (the "**Lender**"), as lender, are party to a commitment letter dated March 13, 2020 (the "**Commitment Letter**").

B. It is in the interests of SSC Ventures (No.105) Ltd. (the "**Guarantor**") that the Lender extend credit (or continue to extend credit) to the Borrowers, and the Guarantor is therefore prepared to issue this Agreement to the Lender in order to induce it to do so.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Guarantor, the Guarantor agrees with and in favour of the Lender as follows:

1. **Definitions.** In this Agreement capitalized terms used but not otherwise defined in this Agreement shall have the following meanings:

"**Agreement**" means this agreement, including the recitals to this agreement, as it or they may be amended, supplemented, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.

"**Applicable Laws**" means, in relation to any person, transaction or event, (a) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any Governmental Authority and (b) all Governmental Authorizations having the force of law to which the person is a party or by which it or its property is bound or having application to the transaction or event.

"**Borrowers' Liabilities**" means all committed indebtedness, liabilities and obligations of the Borrowers to the Lender as of the date of this Agreement.

"**Control**" means, in respect of a particular person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlled**" has a meaning correlative thereto.

"**Event of Default**" means the failure of the Borrowers to pay any of the Borrowers' Liabilities when due.

“Governmental Authority” means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

“Governmental Authorization” means an authorization, order, permit, approval, grant, license, quota, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree or demand or the like issued or granted by law or by rule or regulation of any Governmental Authority.

“Guarantor Liabilities” means all present and future indebtedness, liabilities and obligations of the Guarantor to the Lender under this Agreement.

“Insolvency Proceeding” means any proceeding seeking to adjudicate a person an insolvent, seeking a receiving order against such person under the *Bankruptcy and Insolvency Act* (Canada), or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief or composition of such person or its debts or a stay of proceedings of such person’s creditors generally (or any class of creditors) or any other relief, under any federal, provincial, territorial or foreign law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) and any similar legislation in any jurisdiction) or at common law or in equity.

“Security” means any present or future Security Interest, or any present or future guarantee or other financial assistance, granted by any person with respect to any or all of the Borrowers’ Liabilities or Guarantor Liabilities.

“Security Interest” means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation.

“Surety” means any present or future guarantor or surety of any or all of the Borrowers’ Liabilities, other than the Guarantor.

2. **Guarantee.** The Guarantor hereby unconditionally and irrevocably guarantees the prompt payment and performance to the Lender of all Borrowers’ Liabilities when due in accordance with their terms. All amounts payable by the Guarantor under this Agreement shall be paid to the Lender at the address of the Lender shown above or as otherwise directed in writing by the Lender. All Guarantor Liabilities shall be payable or performable forthwith upon demand by the Lender, and any which are not so paid shall bear interest from the date of such demand at the rate or rates applicable to the corresponding Borrowers’ Liabilities.

3. **Limited Recourse.** Notwithstanding any other provision hereof, the only remedy that the Lender shall have against the Guarantor hereunder in the event of non-payment by the Guarantor of the Guarantor Liabilities is to realize upon the interest of the Guarantor in the milk

quota charged in favour of the Lender pursuant to an assignment of milk quota and sale proceeds dated on or about the date hereof granted by the Guarantor to the Lender with respect to the Guarantor's interest in such milk quota (the "**Collateral**"). For greater certainty, it is hereby declared that the Lender shall in no circumstance have any right of payment from the Guarantor hereunder independent of the foregoing. The foregoing: (a) does not constitute a waiver, release or discharge of the Borrowers' Liabilities, the Guarantor Liabilities or any portion thereof, and (b) does not limit or restrict the right of the Lender to name the Guarantor as a defendant in any action, suit for judicial foreclosure or for the exercise of any other remedy under or in connection with this Agreement or any other Loan Document so long as no judgement in the nature of money or deficiency judgement shall be enforced against the Guarantor out of any of its property, assets or undertaking other than the Collateral.

4. Guarantor Liabilities. The Guarantor Liabilities are continuing, absolute, unconditional and irrevocable. The Guarantor Liabilities shall remain effective despite, and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, anything done, omitted to be done, suffered or permitted by the Lender, the Borrowers or any other person, or by any other matter, act, omission, circumstance, development or other thing of any nature, kind or description, other than the due payment and performance in full of all of the Borrowers' Liabilities and all of the Guarantor Liabilities.

5. Guarantee Absolute. Without limiting the generality of Section 4, the Guarantor Liabilities shall remain fully effective and enforceable against the Guarantor and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, and the rights and remedies of the Lender under this Agreement shall not in any way be diminished or prejudiced by, and the Guarantor hereby consents to or waives, as applicable, to the fullest extent permitted by Applicable Law:

- (a) any lack of genuineness, legality, validity or enforceability of any of the Borrowers' Liabilities or of any agreement or arrangement between the Borrowers', or any other person, and the Lender, or any failure by the Borrowers, or any other person, to carry out any of its obligations under any such agreement or arrangement;
- (b) any change in the existence, name, objects, business, powers, organization, share capital, organizational or constating documents, ownership, control, directors or management of the Borrowers, the Guarantor or any Surety, the reorganization of the Borrowers, the Guarantor or any Surety, any amalgamation or merger by the Borrowers, the Guarantor or any Surety with any other person or persons, or any continuation of the Borrowers, the Guarantor, or any Surety under the Applicable Laws of any jurisdiction;
- (c) any lack or limitation of power, incapacity or disability of the Borrowers, the Guarantor or any Surety or of the directors, officers, managers, employees or agents of the Borrowers, the Guarantor or any Surety or any other irregularity, defect or informality, or any fraud, by the Borrowers, the Guarantor or any Surety or any of their respective directors, officers, managers, employees or agents, with

respect to any or all of the Borrowers Liabilities, any or all of the Guarantor Liabilities or any or all of the liabilities and obligations of any Surety;

- (d) any non-compliance with or contravention by the Guarantor of any provision of any corporate statute applicable to the Guarantor relative to guarantees or other financial assistance given by the Guarantor;
- (e) any impossibility, impracticability, frustration of purpose, force majeure or act of Governmental Authority with respect to the performance of any of the Borrowers' Liabilities or Guarantor Liabilities;
- (f) any Insolvency Proceeding affecting, or the financial condition of, the Borrowers, the Guarantor, any Surety, the Lender or any other person at any time;
- (g) any law, regulation, limitation or prescription period or other circumstance that might otherwise be a defence available to, or a discharge of, the Borrowers, the Guarantor or any Surety in respect of any or all of the Borrowers' Liabilities, any or all of the Guarantor Liabilities or any or all of the liabilities and obligations of any Surety;
- (h) any loss of, or in respect of, any Security by or on behalf of the Lender from the Borrowers, the Guarantor, any Surety or any other person, whether occasioned through the fault of the Lender or otherwise;
- (i) any loss or impairment of any right of the Guarantor for subrogation, reimbursement or contribution, whether or not as a result of any action taken or omitted to be taken by the Lender; or
- (j) any other matter, act, omission, circumstance, development or thing of any and every nature, kind and description whatsoever, whether similar or dissimilar to the foregoing (other than the due payment and performance in full of the Borrowers' Liabilities and the Guarantor Liabilities) that might in any manner (but for the operation of this Section) operate (whether by statute, at law, in equity or otherwise) to release, discharge, diminish, limit, restrict or in any way affect the liability of, or otherwise provide a defence to, a guarantor, a surety, or a principal debtor, even if known by the Lender.

6. Dealing with Borrowers' Liabilities. Without limiting the generality of Section 4, the Guarantor Liabilities shall remain fully effective and enforceable against the Guarantor and shall not be released, exonerated, discharged, diminished, subjected to defence, limited or in any way affected by, and the rights and remedies of the Lender and the other Lender under this Agreement shall not in any way be diminished or prejudiced by, and the Guarantor hereby consents to or waives, as applicable, to the fullest extent permitted by Applicable Law:

- (a) any amendment, alteration, novation or variation in any manner and to any extent (and irrespective of the effect of the same on the Guarantor) of any of the Borrowers' Liabilities, provided that any such amendment, alteration, novation or variation does not increase the monetary obligations of the Borrowers beyond the

amount of such obligations as of the date of this Agreement, any of the liabilities and obligations of any Surety, any Security or any one or more of the Lender's arrangements or agreements with the Borrowers, any Surety or any other person;

- (b) any limitation, compromise, subordination, postponement or abandonment of any of the Borrowers' Liabilities, any of the Guarantor Liabilities, any of the liabilities and obligations of any Surety, any Security or any one or more of the Lender's arrangements or agreements with the Borrowers, any Surety or any other person;
- (c) any grant of time, renewal, extension, indulgence, release, discharge or other course of conduct by the Lender to the Borrowers, any Surety or any other person;
- (d) the creation of any new or additional Borrowers' Liabilities, the increase or reduction of the rate of interest on any or all of the Borrowers' Liabilities or any other rates or fees payable under or in respect of any or all of the Borrowers' Liabilities, provided that any such creation or increase does not increase the monetary obligations of the Borrowers beyond the amount of such obligations as of the date of this Agreement;
- (e) any alteration, settlement, compromise, acceleration, extension or change in the time or manner for payment or performance by the Borrowers made or permitted by the Lender of, or by any other person or persons liable to the Lender with respect to, any or all of the Borrowers' Liabilities;
- (f) the Lender taking or abstaining from taking Security from the Borrowers, any Surety or any other person or abstaining from completing, perfecting or maintaining the perfection of any Security;
- (g) the Lender releasing, substituting or adding one or more Sureties or endorsers, accepting additional or substituted Security, or releasing, subordinating or postponing any Security;
- (h) the Lender accepting compromises from the Borrowers, any Surety or any other person;
- (i) the creation or addition of any new documents, instruments or agreements entered into in connection with those certain debt financing arrangements in place as of the date of this Agreement, provided that any such creation or addition does not increase the monetary obligations of the Borrowers beyond the amount of such obligations as of the date of this Agreement;
- (j) the Lender doing, or omitting to do, anything to enforce the payment or performance of any or all of the Borrowers' Liabilities, any or all of the liabilities and obligations of any Surety or any Security;
- (k) the Lender giving or refusing to give or continuing to give any credit or any financial accommodation to the Borrowers or to any other person;

- (l) the Lender proving any claim in any Insolvency Proceeding affecting the Borrowers, any Surety or any other person as they see fit or refraining from proving any claim or permitting or suffering the impairment of any of the Borrowers' Liabilities in any such Insolvency Proceeding; making any election in any such Insolvency Proceeding; permitting or suffering the creation of secured or unsecured credit or debt in any such Insolvency Proceeding; or permitting or suffering the disallowance, avoidance, or subordination of any of the Borrowers' Liabilities or the obligations of any other debtor with respect to the Borrowers' Liabilities in any such Insolvency Proceeding;
- (m) the Lender applying any money received from the Borrowers, any Surety, any other person or any Security upon such part of the Borrowers' Liabilities as the Lender may see fit or changing any such application in whole or in part from time to time as the Lender may see fit; or
- (n) the Lender otherwise dealing with the Borrowers, any Surety, any other person, the Borrowers' Liabilities, the liabilities and obligations of any Sureties, and all Security as the Lender may see fit.

By accepting the benefit of this Agreement the Lender is deemed to have acknowledged that the foregoing consent and waiver by the Guarantor is intended to waive all defences that might otherwise be available to the Guarantor as a guarantor under Applicable Law and is not intended to constitute the Guarantor's agreement for the purposes of any future act or transaction made pursuant to those certain debt financing arrangements in place as of the date of this Agreement.

7. **Settlement of Accounts.** Any account settled or stated between the Lender and the Borrowers shall be accepted by the Guarantor as *prima facie* evidence that the amount thereby appearing due by the Borrowers' to the Lender is so due.

8. **Indemnity.** Subject to Section 3, if any or all of the Borrowers' Liabilities are not duly paid or performed by the Borrowers and are not paid or performed by the Guarantor under Section 2 for any reason whatsoever, the Guarantor shall, as a separate and distinct obligation, indemnify and save the Lender harmless from and against all losses, costs, damages, expenses, claims and liabilities that the Lender may suffer or incur in connection with or in respect of any failure by the Borrowers for any reason to pay or perform any of the Borrowers' Liabilities, and shall pay all such amounts to the Lender after demand as herein provided.

9. **Guarantor Liable as Principal Borrowers'.** Subject to Section 3, if, and to the extent that, any amount in respect of the Borrowers' Liabilities is not recoverable from the Guarantor under this Agreement on the basis of a guarantee or the Lender are not indemnified under Section 8, in each case, for any reason whatsoever, then, notwithstanding any other provision of this Agreement, the Guarantor shall be liable under this Agreement as principal obligor in respect of the due payment of such amount and shall pay such amount to the Lender after demand as herein provided.

10. **Continuing Guarantee.** This Agreement is a continuing guarantee and is binding as a continuing obligation of the Guarantor and the Borrowers' Liabilities shall be conclusively

presumed to have been created in reliance on this Agreement. The Guarantor may not in any manner terminate this Agreement or the Guarantor Liabilities other than by the due and punctual payment in full of the Guarantor Liabilities.

11. Stay of Acceleration. If acceleration of the time for payment, or the liability of the Borrowers' to make payment, of any amount specified to be payable by the Borrowers in respect of the Borrowers' Liabilities is stayed, prohibited or otherwise affected upon any Insolvency Proceeding or other event affecting the Borrowers' or payment of any of the Borrowers' Liabilities by the Borrowers', all such amounts otherwise subject to acceleration or payment shall nonetheless be deemed for all purposes of this Agreement to be and to have become due and payable by the Borrowers and shall be payable by the Guarantor under this Agreement immediately forthwith on demand by the Lender.

12. Borrowers Information. The Guarantor acknowledges and agrees that the Guarantor has not executed this Agreement as a result of, by reason of, or in reliance upon, any promise, representation, statement or information of any kind or nature whatsoever given, or offered to the Guarantor, by or on behalf of the Lender or any other person whether in answer to any enquiry by or on behalf of the Guarantor or not and the Lender was not prior to the execution by the Guarantor of this Agreement, and is not thereafter, under any duty to disclose to the Guarantor or any other person any information, matter or thing (material or otherwise) relating to the Borrowers, its affairs or its transactions with the Lender, including any information, matter or thing which puts or may put the Borrowers in a position which the Guarantor would not naturally expect or any unexpected facts or unusual features which, whether known or unknown to the Guarantor, are present in any transaction between the Borrowers and the Lender, and the Lender is not under any duty to do or execute any matter, thing or document relating to the Borrowers, its affairs or its transactions with the Lender. The Guarantor acknowledges and confirms that it has established its own adequate means of obtaining from the Borrowers on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrowers and that the Guarantor will look to the Borrowers, and not to the Lender, in order for the Guarantor to keep adequately informed of changes in the Borrowers' financial condition.

13. Reinstatement. If, at any time, all or any part of any payment previously applied by the Lender to any of the Borrowers' Liabilities is or must be rescinded or returned by the Lender for any reason whatsoever (including any Insolvency Proceeding affecting the Borrowers or any other person), such Borrowers' Liabilities shall, for the purpose of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Borrowers' Liabilities, all as though such application by the Lender had not been made.

14. Subrogation. Notwithstanding any payment made by the Guarantor under this Agreement or any setoff or application of funds of the Guarantor by the Lender, the Guarantor shall have no right of subrogation to, and waives, any right to enforce any remedy which the Lender now has or may hereafter have against the Borrowers, until all of the Borrowers' Liabilities have been indefeasibly paid in full; and until that time, the Guarantor waives any benefit of, and any right to participate in, any Security now or hereafter held by the Lender for the Borrowers' Liabilities.

15. Insolvency Proceedings. In any Insolvency Proceeding affecting the Borrowers, the Lender shall have the right, in priority to the Guarantor, to receive its full claim in respect of such Insolvency Proceeding for all of the Borrowers' Liabilities. The Lender shall have the right to include in its claim in any Insolvency Proceeding affecting the Borrowers all or any part of the payments made by the Guarantor under this Agreement and, to prove and rank for, and receive dividends in respect of, all such claims, all of which rights and privileges as they relate and apply to the Guarantor are hereby assigned by the Guarantor to the Lender on behalf of itself and the other Lender. The provisions of this Section shall be sufficient authority for any person making payment of any such dividends to pay the same directly to the Lender. The Lender shall be entitled to receive all dividends or other payments in respect of all of the above referenced claims until all of the Borrowers' Liabilities are paid and satisfied in full and the Guarantor shall continue to be liable under this Agreement for any unpaid balance of the Borrowers' Liabilities. If any amount is paid to the Guarantor under any Insolvency Proceeding affecting the Borrowers when any of the Borrowers' Liabilities remain outstanding, such amount shall be received and held in trust by the Guarantor for the benefit of the Lender and shall be immediately paid to the Lender to be credited and applied against the Guarantor Liabilities. In any Insolvency Proceeding affecting the Borrowers the Lender may in its discretion value as it sees fit, or may refrain from valuing, any Security held by or for the benefit of the Lender.

16. Marshalling. The Guarantor waives to the fullest extent permitted by Applicable Law, any right or claim of right to cause a marshalling of the Borrowers', a Surety's or any other person's assets, or to cause the Lender to proceed against the Borrowers, a Surety or any other person, or any Security, in any particular order. The Lender shall have no obligation to marshal any assets in favour of the Borrowers, a Surety or any other person or against or in payment of any of the Borrowers' Liabilities or any of the obligations of the Guarantor, the Borrowers, a Surety or any other person owed to the Lender.

17. Enforcing Rights Against Guarantor. This is a guarantee of payment and performance and not of collection. The Lender shall not be required to take any action or to exhaust their recourse against the Borrowers, any Surety or any other person, or to enforce or value any Security, before being entitled to payment from, and to enforce their rights and remedies against, the Guarantor under this Agreement. The Guarantor hereby renounces to the benefits of division and discussion.

18. Taxes and Set-Off. All payments to be made by the Guarantor hereunder shall be made without set-off, compensation, deduction or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any nature whatsoever. If at any time any Applicable Law requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor with respect to such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives a net sum equal to the sum which it would have received had no deduction or withholding been required.

19. Communication. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by facsimile transmission, e-mail or other similar means of electronic communication, in each case in accordance with the contact

particulars set out on the first page of this Agreement (in the case of the Lender) or below (in the case of the Guarantor):

Address: 201 – 45793 Luckauck Way
Chilliwack
British Columbia, V2R 5S3
Attention: _____
Facsimile: _____
E-mail: _____

20. Alteration. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Lender.

21. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

22. Governing Law; Attornment. This Agreement shall be governed by and construed in accordance with the Applicable Laws of the Province of British Columbia. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such Province. To the extent permitted by Applicable Law, the Guarantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province. The Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address as provided for pursuant to Section 19.

23. Successors and Assigns. This Agreement shall enure to the benefit of, and be binding on, the Guarantor and its successors and assigns, and shall enure to the benefit of, and be binding on, the Lender and its successors and assigns. The Guarantor may not assign this Agreement, or any of its rights or obligations under this Agreement. The Lender may assign this Agreement and any of their rights and obligations hereunder to any person that replaces it in its capacity as such. If the Guarantor or the Lender is an individual, then the term “Guarantor” or “Lender”, as applicable, shall also include his or her heirs, administrators and executors.

24. Acknowledgment of Receipt. The Guarantor acknowledges receipt of an executed copy of this Agreement.

25. Electronic Signature. Delivery of an executed signature page to this Agreement by the Guarantor by facsimile or other electronic form of transmission shall be as effective as delivery by the Guarantor of a manually executed copy of this Agreement by the Guarantor.

[signature on the next following page]

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed as of the date first written above.

SSC VENTURES (NO.105) LTD.

Per: _____

Name: Joseph Bifano


Title: Director

Per: _____

Name:

Title:

This is Exhibit “ F ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GUARANTEE TO THE BANK OF NOVA SCOTIA

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with

BIFANO CONSOLIDATED INC. and NATA FARMS INC.

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

UNLIMITED

dollars

with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.
5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

17. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which the Customer's main account with the Bank is kept.

18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at _____

this 16 day of March, 2020.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL

SSC VENTURES (NO. 92) LTD.



SIGNATURE

SIGNATURE

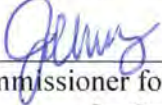
SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

This is Exhibit “ G ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GUARANTEE TO THE BANK OF NOVA SCOTIA

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with
BIFANO CONSOLIDATED INC. and NATA FARMS INC.

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert Limit, if any. CAD \$10,000,000 dollars
with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

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3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
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5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
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8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

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15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.


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18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at Chilliwack, BC
this 16th day of March, 2020.

SIGNED SEALED AND DELIVERED

in the presence of


SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

SIGNATURE AND SEAL

SIGNATURE JOSEPH BIFANO

SIGNATURE

SIGNATURE

SIGNATURE


SIGNATURE

SIGNATURE

N.B.

- Signature of this Guarantee involves personal liability.
- A Guarantees Acknowledgement Act Certificate # 1322919 must be completed if the guarantor is an individual and the guarantee is taken in, or enforceable in, Alberta.

This is Exhibit “ **H** ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

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BIFANO CONSOLIDATED INC.

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Insert
Limit,
if any.

UNLIMITED dollars
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12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

17. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which the Customer's main account with the Bank is kept.

18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at Chilliwack, BC

this 16th day of March, 2020.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL

NATA FARMS INC.


SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

SIGNATURE

SIGNATURE

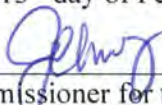
SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

This is Exhibit " I " referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GUARANTEE TO THE BANK OF NOVA SCOTIA

IN CONSIDERATION OF THE BANK OF NOVA SCOTIA (herein called the "Bank") agreeing to deal with or to continue to deal with
BIFANO CONSOLIDATED INC. and NATA FARMS INC.

(herein called the "Customer") the undersigned and each of them, if more than one, hereby jointly and severally guarantees payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (such debts and liabilities being herein called the "guaranteed liabilities"), the liability of the undersigned hereunder being limited to the sum of

Insert
Limit,
if any.

UNLIMITED dollars
with interest from the date of demand for payment at the rate set out in paragraph 6 hereof.

AND THE UNDERSIGNED and each of them, if more than one, hereby jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the guaranteed liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank; and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities or other guarantees it may at any time hold before being entitled to payment from the Guarantor, and the Guarantor renounces all benefits of discussion and division.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been effectually made when an envelope containing such demand addressed to the undersigned or such one of them at the address of the undersigned or such one of them last known to the Bank is posted, postage prepaid, in the post office; and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 6 hereof.
5. The service of demand for payment, by post, postage prepaid, in the post office, to a local agent of the Guarantor, said local agent being identified by name and located in the Province or jurisdiction where the Customer's main account is kept, shall be deemed to be service of demand on the Guarantor.
6. The rate of interest payable by the Guarantor from the date of a demand for payment under this guarantee shall be the Bank's prime rate applicable at the time of demand, PLUS 2% per annum. Prime rate is defined as the annual rate of interest expressed as a percentage per annum announced by the Bank on that day as its reference rate for commercial loans made by it in Canada in Canadian dollars. Interest is calculated and payable monthly on the 22nd day of each month following the day of demand and computed monthly on the same day when not so paid.
7. Upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all guaranteed liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the guaranteed liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.

8. This guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Bank may now or hereafter hold in respect of the guaranteed liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.

9. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Bank may see fit, and the Bank may apply all moneys received from the Customer or others or from securities or guarantees upon such parts of the guaranteed liabilities as the Bank may see fit and change any such application in whole or in part from time to time.

10. Until repayment in full of all the guaranteed liabilities, all dividends, compositions, proceeds of securities, securities valued or payments received by the Bank from the Customer or others or from estates in respect of the guaranteed liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

11. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all guaranteed liabilities whether theretofore or thereafter incurred; and in the case of a change in the membership of a Customer which is a partnership or in the case of the Customer being amalgamated with a corporation, this guarantee shall apply to the liabilities of the resulting partnership or corporation, and the term "Customer" shall include each such resulting partnership and corporation.

12. All advances, renewals and credits made or granted by the Bank purportedly to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the guaranteed liabilities; and all advances, renewals and credits obtained from the Bank purportedly by or on behalf of the Customer shall be deemed to form part of the guaranteed liabilities, notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand with interest at the rate set out in paragraph 6 hereof.

13. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the guaranteed liabilities, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the guaranteed liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

14. The undersigned or any of them, if more than one, or his or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his or their further liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days, but not in respect of any guaranteed liabilities incurred or arising before the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

15. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein; and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor.

16. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with and this guarantee shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

17. This guarantee shall be governed in all respects by the laws of the Province or jurisdiction in which the Customer's main account with the Bank is kept.

18. This guarantee shall not be discharged or affected by the death or any disability of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, his heirs, executors, administrators, successors and assigns.

AS WITNESS the hand and seal of the Guarantor at Chillicothe
this 30th day of October, 2020.

SIGNED SEALED AND DELIVERED

in the presence of

SIGNATURE AND SEAL


EDWARD C. MATHER
Barrister & Solicitor
Waterbury, Connecticut
101 - 41194 Locust Street
Chillicothe, IL 62611
(618) 491-1111

SPALLUMCHEEN FARM LTD.

SIGNATURE 

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

This is Exhibit “ J ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GENERAL SECURITY AGREEMENT

1. BIFANO CONSOLIDATED INC.

(NAME OF CUSTOMER)

of 5385 Back Enderby Road, Armstrong, British Columbia, V0E 1B8

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B4

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.

7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.

8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.

9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:

- (a) If the Customer does not pay when due any of the Obligations;
- (b) If the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
- (c) If the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- (d) If the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- (e) If any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
- (f) If any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
- (g) If the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.

10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.

11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.


The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 16th day of March, 2020

Customer: BIFANO CONSOLIDATED INC.

Witness:


SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

by:

TITLE


Joseph Bifano, Director

by:

TITLE

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

PID: 030-083-893, LOT 1 SECTIONS 12, 13, 18 AND 26 TOWNSHIP 18 AND 35 RANGE 8 AND 9 WEST OF THE MERIDIAN KAMLOOPS DIVISION YALE DISTRICT PLAN EPP68311

SCHEDULE "B"

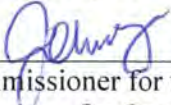
(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

5385 BACK ENDERBY ROAD, ARMSTRONG, BRITISH COLUMBIA

DATE RECEIVED
.....
RECORDED
APPROVED
E.O.
AUDITOR

This is Exhibit “ **K** ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GENERAL SECURITY AGREEMENT

1. SPALLUMCHEEN FARM LTD.

(NAME OF CUSTOMER)

of 5385 Back Enderby Road, Armstrong, British Columbia, V0E 1B8

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B4

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the Intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.

7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.

8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.

9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:

- (a) if the Customer does not pay when due any of the Obligations;
- (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
- (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
- (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.

10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.

11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) If the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.


The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 30th day of October, 2020

Customer: SPALLUMCHEEN FARM LTD.

Witness:


EDWARD K. KAINE
Barrister & Solicitor
WATERSTONE LAW GROUP LLC
201 - 45794 Locksley Way
Chilliwack, BC V2R 5G3
(604) 224-7711

by:

TITLE

by:

TITLE

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

PID: 014-003-449 SW 1/4 S 35 Township 35 Kamloops Div Yale District except Plan A402

PID: 011-498-986 District Lot 94 Osoyoos Division Yale District

PID: 013-795-848 That part of Section 12 bounded by District Lot 94 Osoyoos Div Yale District, on the South by Dist Lot 92

PID: 011-291-761 L 2 S 26 T 35 Kamloops Div Yale Dist Plan 2011

PID: 011-255-188 L 3 S 26 T 35 Kamloops Div Yale Dist Plan 2080

PID: 011-367-750 L 6 District Lot 148 Kamloops Division Yale District Plan 1654

PID: 011-367-784 L 7 District Lot 148 Kamloops Division Yale District Plan 1654

SCHEDULE "B"

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

Stepney Road, Spallumcheen V0E 1B8

5591 Stepney Road, Spallumcheen V0E 1B8

Near Back Enderby Road, Spallumcheen V0E 1B8

Stepney Road, Spallumcheen V0E 1B8

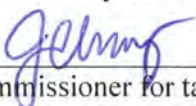
5250 Stepney Road, Spallumcheen V0E 1B8

Back Enderby Road, Spallumcheen V0E 1B8

Back Enderby Road, Spallumcheen V0E 1B8

DATE RECEIVED
.....
RECORDED
APPROVED
E.O.
AUDITOR

This is Exhibit “ L ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GENERAL SECURITY AGREEMENT

1. NATA FARMS INC.

(NAME OF CUSTOMER)

of 5385 Back Enderby Road, Armstrong, British Columbia, V0E 5S3

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B4

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.
7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.
8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.
9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:
- (a) if the Customer does not pay when due any of the Obligations;
 - (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
 - (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
 - (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
 - (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
 - (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
 - (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.
10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.
11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 16th day of March, 2020

Customer: NATA FARMS INC.

Witness:



SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

by:

by:

TITLE

TITLE


Joseph Bifano, Director

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

PID: 030-083-893, LOT 1 SECTIONS 12, 13, 18 AND 26 TOWNSHIP 18 AND 35 RANGE 8 AND 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT PLAN EPP68311

SCHEDULE "B"


(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

5385 BACK ENDERBY ROAD, ARMSTRONG, BC

DATE RECEIVED
.....
RECORDED
APPROVED
E.O.
AUDITOR

This is Exhibit “ M ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

GENERAL SECURITY AGREEMENT

1. BIFANO FARMS INC.

(NAME OF CUSTOMER)

of 5385 Back Enderby Road, Armstrong, British Columbia, V0E 5S3

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 4715 TAHOE BOULEVARD, MISSISSAUGA, ON L4W 0B4

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment, machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

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Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.

7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.

8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.

9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:

- (a) If the Customer does not pay when due any of the Obligations;
- (b) If the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
- (c) If the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- (d) If the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- (e) If any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
- (f) If any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
- (g) If the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.

10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.

11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.

12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefore are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 16 day of March, 2020.

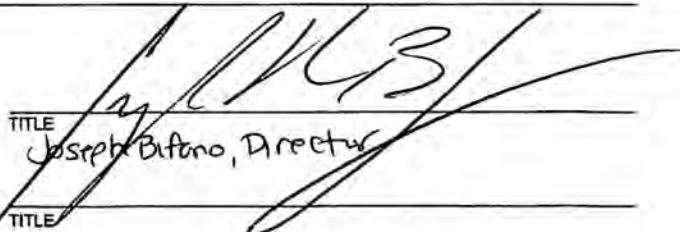
Customer: BIFANO FARMS INC.

Witness:


SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

by:

TITLE


Joseph Bifano, Director

by:

TITLE

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

PID: 030-083-893, LOT 1 SECTIONS 12, 13, 18 AND 26 TOWNSHIP 18 AND 35 RANGE 8 AND 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT PLAN EPP68311

SCHEDULE "B"

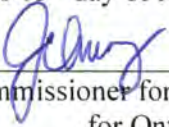
(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".

5385 BACK ENDERBY ROAD, ARMSTRONG, BC

DATE RECEIVED
.....
RECORDED
APPROVED
E.O. AUDITOR

This is Exhibit " N " referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024


A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

KAMLOOPS LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Mar-30-2020 14:17:41.001

CA8113787 CA8113788

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 6 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Maree Bullivant
33GRLI

Digitally signed by
Maree Bullivant 33GRLI
Date: 2020.03.30
14:02:53 -07'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

JACOB SWITZER, BLAKE, CASSELS & GRAYDON LLP, BARRISTERS & SOLICITORS

595 BURNARD STREET, P.O. BOX 49314

(604) 631-3389 LTO Client No: 11163

SUITE 2600, THREE BENTALL CENTRE

c/m: 19350/580

VANCOUVER

BC V7X 1L3

Doc ID No: 51190812

Document Fees: \$148.32

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[legal description]

030-083-893

LOT 1 SECTIONS 12, 13, 18 AND 26 TOWNSHIP 18 AND 35 RANGE 8 AND 9
WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT PLAN

STC?

YES ☐

EPP68311

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

BIFANO CONSOLIDATED INC.

200 - 3005 30TH STREET

VERNON

V1T 2M1

BRITISH COLUMBIA

CANADA

Incorporation No

BC0574303

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

THE BANK OF NOVA SCOTIA

A CANADIAN CHARTERED BANK

4715 TAHOE BOULEVARD

MISSISSAUGA

CANADA

ONTARIO

L4W 0B4

5. PAYMENT PROVISIONS:

(a) Principal Amount:

SEE SCHEDULE

(b) Interest Rate:

SEE SCHEDULE

(c) Interest Adjustment

Date: N/A

Y

M

D

(d) Interest Calculation Period:

SEE SCHEDULE

(e) Payment Dates:

SEE SCHEDULE

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

SEE SCHEDULE

(h) *Interest Act* (Canada) Statement.

The equivalent rate of interest calculated
half yearly not in advance
is SEE SCHEDULE % per annum.

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the
applicant wants registered?YES ☒ NO ☐

If YES, page and paragraph number:

PAGE 5, PARAGRAPH 6
OF MT900105

(k) Place of payment:

POSTAL ADDRESS IN
ITEM 4

(l) Balance Due

Date: ON
DEMAND

6. MORTGAGE contains floating charge on land ?

YES ☐ NO ☒

7. MORTGAGE secures a current or running account ?

YES ☒ NO ☐

8. INTEREST MORTGAGED:

Fee Simple ☒Other (specify) ☐

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms ☐(b) Filed Standard Mortgage Terms ☒(c) Express Mortgage Terms ☐

D F Number: MT900105

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

Shane M. Rutledge

Barrister & Solicitor

Waterstone Law Group LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(as to all signatures)

Execution Date

Y	M	D
20	03	16

Borrower(s) Signature(s)

BIFANO CONSOLIDATED INC., by
its authorized signatory(ies):

Name: Joseph Bifano

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

5. Payment Provisions:

(a) Principal Amount; (b) Interest Rate:

(i) You give us this mortgage to secure the payment to us, on demand, of the debts and liabilities described in (ii) up to:

- (a) a maximum principal amount of \$ unspecified, plus
- (b) interest on the debts and liabilities described in (ii) at a maximum rate equal to the **Prime Lending Rate of The Bank of Nova Scotia** from time to time plus 6 % per annum, calculated on a daily basis and payable monthly, both before and after demand or default and judgment and interest on overdue interest at the same rate and calculated and payable in the same way, plus
- (c) the additional amounts payable under the heading **we may recover our expenses** in the Part 2 Standard Mortgage Terms of this mortgage.

(ii) The debts and liabilities referred to in (i) are all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by you to us, or remaining unpaid by you to us, in any currency, whether arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.

(iii) If the debts and liabilities described in (ii) exceed the maximum principal amount or rate of interest stated in (i) we may decide what part of them is secured by the mortgage.

(d) Interest Calculation Period:

Interest will be calculated as set out in the commitment letter dated March 13 , 2020, as amended from time to time (the "**Commitment Letter**") made between the Mortgagee, as lender, and the Mortgagor, as borrower.

(e) Payment Dates; (g) Amount of each periodic payment:

The timing and amount of periodic payments will be as required by the Mortgagee pursuant to the Commitment Letter.

(h) *Interest Act* (Canada) Statement:

for purposes of the *Interest Act* (Canada) the equivalent rates of interest calculated half-yearly not in advance shall be determined by reference to the chart below:

Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Current Interest Rate Calculated Half-Yearly Not in Advance (%)
---	--	---	---

SCHEDULE

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	13.000	13.357
6.125	6.204	13.125	13.489
6.250	6.332	13.250	13.621

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

6.375	6.460	13.375	13.753
6.500	6.589	13.500	13.885
6.625	6.717	13.625	14.018
6.750	6.846	13.750	14.150
6.875	6.974	13.875	14.282
7.000	7.103	14.000	14.415
7.125	7.232	14.125	14.547
7.250	7.360	14.250	14.680
7.375	7.489	14.375	14.812
7.500	7.618	14.500	14.945
7.625	7.747	14.625	15.078
7.750	7.876	14.750	15.211
7.875	8.005	14.875	15.344
8.000	8.135	15.000	15.477
8.125	8.264	15.125	15.610
8.250	8.393	15.250	15.743
8.375	8.522	15.375	15.876
8.500	8.652	15.500	16.009
8.625	8.781	15.625	16.143
8.750	8.911	15.750	16.276
8.875	9.041	15.875	16.409
9.000	9.170	16.000	16.543
9.125	9.300	16.125	16.677
9.250	9.430	16.250	16.810
9.375	9.560	16.375	16.944
9.500	9.690	16.500	17.078
9.625	9.820	16.625	17.212
9.750	9.950	16.750	17.345
9.875	10.080	16.875	17.480
10.000	10.211	17.000	17.614
10.125	10.341	17.125	17.748
10.250	10.471	17.250	17.882
10.375	10.602	17.375	18.016
10.500	10.732	17.500	18.151
10.625	10.863	17.625	18.285
10.750	10.994	17.750	18.419
10.875	11.124	17.875	18.554
11.000	11.255	18.000	18.689
11.125	11.386	18.125	18.823
11.250	11.517	18.250	18.958
11.375	11.648	18.375	19.093
11.500	11.779	18.500	19.228
11.625	11.910	18.625	19.363

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

11.750	12.041	18.750	19.498
11.875	12.173	18.875	19.633
12.000	12.304	19.000	19.768
12.125	12.435	19.125	19.903
12.250	12.567	19.250	20.039
12.375	12.698	19.375	20.174
12.500	12.830	19.500	20.310
12.625	12.962	19.625	20.445
12.750	13.094	19.750	20.581
12.875	13.225	19.875	20.716

10. Additional or Modified Terms:

Conflict

If there is any conflict between this mortgage and the Commitment Letter, the terms of the Commitment Letter shall govern and take precedence.

Acknowledgement and Direction

By signing this Mortgage, you are agreeing that the property described herein shall remain free and clear of all encumbrances, liens, mortgages, charges, security interests, and other financing agreements of any kind subordinate to our interest in the property except those approved in writing by us throughout the term of this Mortgage and any renewal or renewals thereof and any such encumbrances which may arise without our express consent will be immediately discharged by you.

Merger or Transfer

This Mortgage may not be merged with any other property nor can your title to the property described herein be consolidated in any way or transferred to any other property.

**LAND TITLE ACT
FORM B (Section 225)**

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 6 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.4(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

JACOB SWITZER, BLAKE, CASSELS & GRAYDON LLP, BARRISTERS & SOLICITORS
595 BURNARD STREET, P.O. BOX 49314 (604) 631-3389 LTO Client No: 11163
SUITE 2600, THREE BENTALL CENTRE c/m: 19350/580
VANCOUVER BC V7X 1L3 Doc ID No: 51190812

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[legal description]

**030-083-893 LOT 1 SECTIONS 12, 13, 18 AND 26 TOWNSHIP 18 AND 35 RANGE 8 AND 9
WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT PLAN
STC? YES ☐ EPP68311**

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

BIFANO CONSOLIDATED INC.

200 - 3005 30TH STREET
VERNON

BRITISH COLUMBIA
CANADA

Incorporation No
BC0574303

V1T 2M1

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

THE BANK OF NOVA SCOTIA
A CANADIAN CHARTERED BANK
4715 TAHOE BOULEVARD
MISSISSAUGA
CANADA

ONTARIO
L4W 0B4

5. PAYMENT PROVISIONS:

(a) Principal Amount:

SEE SCHEDULE

(b) Interest Rate:

SEE SCHEDULE

(c) Interest Adjustment

Date: N/A

Y

M

D

(d) Interest Calculation Period:

SEE SCHEDULE

(e) Payment Dates:

SEE SCHEDULE

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

SEE SCHEDULE

(h) *Interest Act* (Canada) Statement.

The equivalent rate of interest calculated
half yearly not in advance
is SEE SCHEDULE % per annum.

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the
applicant wants registered?

YES ☒ NO ☐

If YES, page and paragraph number:

PAGE 5, PARAGRAPH 6
OF MT900105

(k) Place of payment:

POSTAL ADDRESS IN
ITEM 4

(l) Balance Due

Date: ON
DEMAND

MORTGAGE – PART 1

PAGE 2 OF 6 PAGES

6. MORTGAGE contains floating charge on land ?
YES ☐ NO ☒

7. MORTGAGE secures a current or running account ?
YES ☒ NO ☐

8. INTEREST MORTGAGED:

Fee Simple ☒
Other (specify) ☐

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms ☐

(b) Filed Standard Mortgage Terms ☒

(c) Express Mortgage Terms ☐

D F Number: MT900105

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)


SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

Execution Date

Y	M	D
20	03	16

Borrower(s) Signature(s)


BIFANO CONSOLIDATED INC. by
its authorized signatory(ies):

Name: Joseph Bifano

(as to all signatures)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

5. Payment Provisions:

(a) Principal Amount; (b) Interest Rate:

- (i) You give us this mortgage to secure the payment to us, on demand, of the debts and liabilities described in (ii) up to:
- (a) a maximum principal amount of \$ unspecified, plus
 - (b) interest on the debts and liabilities described in (ii) at a maximum rate equal to the **Prime Lending Rate of The Bank of Nova Scotia** from time to time plus 6 % per annum, calculated on a daily basis and payable monthly, both before and after demand or default and judgment and interest on overdue interest at the same rate and calculated and payable in the same way, plus
 - (c) the additional amounts payable under the heading **we may recover our expenses** in the Part 2 Standard Mortgage Terms of this mortgage.
- (ii) The debts and liabilities referred to in (i) are all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by you to us, or remaining unpaid by you to us, in any currency, whether arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.
- (iii) If the debts and liabilities described in (ii) exceed the maximum principal amount or rate of interest stated in (i) we may decide what part of them is secured by the mortgage.

(d) Interest Calculation Period:

Interest will be calculated as set out in the commitment letter dated March 13 , 2020, as amended from time to time (the "**Commitment Letter**") made between the Mortgagee, as lender, and the Mortgagor, as borrower.

(e) Payment Dates; (g) Amount of each periodic payment:

The timing and amount of periodic payments will be as required by the Mortgagee pursuant to the Commitment Letter.

(h) *Interest Act* (Canada) Statement:

for purposes of the *Interest Act* (Canada) the equivalent rates of interest calculated half-yearly not in advance shall be determined by reference to the chart below:

Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Current Interest Rate Calculated Half-Yearly Not in Advance (%)

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	13.000	13.357
6.125	6.204	13.125	13.489
6.250	6.332	13.250	13.621

SCHEDULE

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

6.375	6.460	13.375	13.753
6.500	6.589	13.500	13.885
6.625	6.717	13.625	14.018
6.750	6.846	13.750	14.150
6.875	6.974	13.875	14.282
7.000	7.103	14.000	14.415
7.125	7.232	14.125	14.547
7.250	7.360	14.250	14.680
7.375	7.489	14.375	14.812
7.500	7.618	14.500	14.945
7.625	7.747	14.625	15.078
7.750	7.876	14.750	15.211
7.875	8.005	14.875	15.344
8.000	8.135	15.000	15.477
8.125	8.264	15.125	15.610
8.250	8.393	15.250	15.743
8.375	8.522	15.375	15.876
8.500	8.652	15.500	16.009
8.625	8.781	15.625	16.143
8.750	8.911	15.750	16.276
8.875	9.041	15.875	16.409
9.000	9.170	16.000	16.543
9.125	9.300	16.125	16.677
9.250	9.430	16.250	16.810
9.375	9.560	16.375	16.944
9.500	9.690	16.500	17.078
9.625	9.820	16.625	17.212
9.750	9.950	16.750	17.345
9.875	10.080	16.875	17.480
10.000	10.211	17.000	17.614
10.125	10.341	17.125	17.748
10.250	10.471	17.250	17.882
10.375	10.602	17.375	18.016
10.500	10.732	17.500	18.151
10.625	10.863	17.625	18.285
10.750	10.994	17.750	18.419
10.875	11.124	17.875	18.554
11.000	11.255	18.000	18.689
11.125	11.386	18.125	18.823
11.250	11.517	18.250	18.958
11.375	11.648	18.375	19.093
11.500	11.779	18.500	19.228
11.625	11.910	18.625	19.363

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

11.750	12.041	18.750	19.498
11.875	12.173	18.875	19.633
12.000	12.304	19.000	19.768
12.125	12.435	19.125	19.903
12.250	12.567	19.250	20.039
12.375	12.698	19.375	20.174
12.500	12.830	19.500	20.310
12.625	12.962	19.625	20.445
12.750	13.094	19.750	20.581
12.875	13.225	19.875	20.716

10. Additional or Modified Terms:

Conflict

If there is any conflict between this mortgage and the Commitment Letter, the terms of the Commitment Letter shall govern and take precedence.

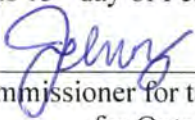
Acknowledgement and Direction

By signing this Mortgage, you are agreeing that the property described herein shall remain free and clear of all encumbrances, liens, mortgages, charges, security interests, and other financing agreements of any kind subordinate to our interest in the property except those approved in writing by us throughout the term of this Mortgage and any renewal or renewals thereof and any such encumbrances which may arise without our express consent will be immediately discharged by you.

Merger or Transfer

This Mortgage may not be merged with any other property nor can your title to the property described herein be consolidated in any way or transferred to any other property.

This is Exhibit “ O ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2026

NOTICE OF REGISTRATION

Date of Issue: November 20, 2020
Submitter's Name: Natallia Ulasenka
File Reference: BNS/BIFANO2

Description: 19350/580 (Bifano)

The following application(s) have now reached final status:

MORTGAGE	CA8542605	REGISTERED
ASSIGNMENT OF RENTS	CA8542606	REGISTERED

Product support is available online at <https://help.ltsa.ca>. You can also call the Customer Service Centre for land title and survey practice matters, or Technical Support for all registry and product questions at 604-630-9630 or toll free at 1-877-577-LTSA (5872). Non-urgent support requests can be submitted online at <https://ltsa.ca/contact-us-0>.

**LAND TITLE ACT
FORM B (Section 225)**

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 8 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

MAREE BULLIVANT, BLAKE, CASSELS & GRAYDON LLP, BARRISTERS & SOLICITORS
595 BURNARD STREET, P.O. BOX 49314 (604) 631-5233 LTO Client No: 11163
SUITE 2600, THREE BENTALL CENTRE c/m: 19350/580
VANCOUVER BC V7X 1L3 Doc ID No: 51222653

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [legal description]

SEE SCHEDULE

STC? YES ☐

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

SPALLUMCHEEN FARM LTD.

5385 BACK ENDERBY ROAD
ARMSTRONG

V0E 1B8

BRITISH COLUMBIA
CANADA

Incorporation No
BC0114383

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

THE BANK OF NOVA SCOTIA

A CANADIAN CHARTERED BANK

4715 TAHOE BOULEVARD

MISSISSAUGA

CANADA

ONTARIO

L4W 0B4

5. PAYMENT PROVISIONS:

(a) Principal Amount:

SEE SCHEDULE

(b) Interest Rate:

SEE SCHEDULE

(c) Interest Adjustment

Date: N/A

Y

M

D

(d) Interest Calculation Period:

SEE SCHEDULE

(e) Payment Dates:

SEE SCHEDULE

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

SEE SCHEDULE

(h) *Interest Act* (Canada) Statement.
The equivalent rate of interest calculated
half yearly not in advance
is SEE SCHEDULE % per annum.

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the
applicant wants registered ?

YES ☒ NO ☐

If YES, page and paragraph number:

PAGE 5, PARAGRAPH 6
OF MT900105

(k) Place of payment:

POSTAL ADDRESS IN
ITEM 4

(l) Balance Due

Date: ON

DEMAND

MORTGAGE – PART 1

PAGE 2 OF 8 PAGES

6. MORTGAGE contains floating charge on land ?
YES ☐ NO ☒

7. MORTGAGE secures a current or running account ?
YES ☒ NO ☐

8. INTEREST MORTGAGED:

Fee Simple ☒
Other (specify) ☐

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms ☐
(b) Filed Standard Mortgage Terms ☒
(c) Express Mortgage Terms ☐

D F Number: MT900105

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

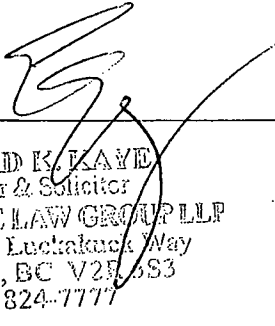
10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)


EDWARD K. KAYE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2E 6S3
(604) 824-7777

(as to all signatures)

Execution Date		
Y	M	D
20	10	31

Borrower(s) Signature(s)

SPALLUMCHEEN FARM LTD., by
its authorized signatory(ies)

Name: 
Joseph Bivans

Name:

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for-use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM E****SCHEDULE**PAGE 3 OF 8 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LANDSTC for each PID listed below? YES ☐

[PID]

[LEGAL DESCRIPTION – must fit in a single text line]

011-498-986 DISTRICT LOT 94 OSOYOOS DIVISION YALE DISTRICT**011-291-761 LOT 2 SEC 26 TP 35 KAMLOOPS (FORMERLY OSOYOOS) DIVISION YALE DISTRICT PLAN 2011****011-255-188 LOT 3 SEC 26 TP 35 KAMLOOPS (FORMERLY OSOYOOS) DIVISION YALE DISTRICT PLAN 2080****011-367-750 LOT 6 DL 148 KAMLOOPS DIVISION YALE DISTRICT PLAN 1654****011-367-784 LOT 7 DL 148 KAMLOOPS DIVISION YALE DISTRICT PLAN 1654**

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 8 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]

**014-003-449 THE FRACTIONAL SOUTH WEST 1/4 SECTION 35 TOWNSHIP 35 KAMLOOPS
(FORMERLY OSOYOOS) DIVISION YALE DISTRICT EXCEPT PLAN A402**STC? YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]

**013-795-848 THAT PART OF SECTION 13 WHICH IS BOUNDED ON THE NORTH BY
DISTRICT LOT 148 OSOYOOS DIVISION YALE DISTRICT ON THE EAST BY
DISTRICT LOT 94 OSOYOOS DIVISION YALE DISTRICT, ON THE SOUTH BY
DISTRICT LOT 92 OSOYOOS DIVISION YALE DISTRICT AND ON THE WEST
BY THE RIGHT BANK OF FORTUNE CREEK AS SHOWN ON PLAN OF SAID
TOWNSHIP DATE AT OTTAWA ON THE 10TH DAY OF JANUARY, 1902
INCLUDING ALL THE TIMBER THEREON TOWNSHIP 18 RANGE 9 WEST OF
THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT**STC? YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [LEGAL DESCRIPTION]

STC? YES ☐

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

5. Payment Provisions:

(a) Principal Amount; (b) Interest Rate:

(i) You give us this mortgage to secure the payment to us, on demand, of the debts and liabilities described in (ii) up to:

- (a) a maximum principal amount of \$ unspecified, plus
- (b) interest on the debts and liabilities described in (ii) at a maximum rate equal to the **Prime Lending Rate of The Bank of Nova Scotia** from time to time plus 6 % per annum, calculated on a daily basis and payable monthly, both before and after demand or default and judgment and interest on overdue interest at the same rate and calculated and payable in the same way, plus
- (c) the additional amounts payable under the heading **we may recover our expenses** in the Part 2 Standard Mortgage Terms of this mortgage.

(ii) The debts and liabilities referred to in (i) are all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by you to us, or remaining unpaid by you to us, in any currency, whether arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.

(iii) If the debts and liabilities described in (ii) exceed the maximum principal amount or rate of interest stated in (i) we may decide what part of them is secured by the mortgage.

(d) Interest Calculation Period:

Interest will be calculated as set out in the amended and restated commitment letter dated October 16 2020, as amended from time to time (the "**Commitment Letter**") made between, amongst others, the Mortgagee, as lender, and the Mortgagor, as borrower.

(e) Payment Dates; (g) Amount of each periodic payment:

The timing and amount of periodic payments will be as required by the Mortgagee pursuant to the Commitment Letter.

(h) *Interest Act* (Canada) Statement:

for purposes of the *Interest Act* (Canada) the equivalent rates of interest calculated half-yearly not in advance shall be determined by reference to the chart below:

Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Current Interest Rate Calculated Half-Yearly Not in Advance (%)
---	--	---	---

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
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6.125	6.204	13.125	13.489
6.250	6.332	13.250	13.621

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

6.375	6.460	13.375	13.753
6.500	6.589	13.500	13.885
6.625	6.717	13.625	14.018
6.750	6.846	13.750	14.150
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7.000	7.103	14.000	14.415
7.125	7.232	14.125	14.547
7.250	7.360	14.250	14.680
7.375	7.489	14.375	14.812
7.500	7.618	14.500	14.945
7.625	7.747	14.625	15.078
7.750	7.876	14.750	15.211
7.875	8.005	14.875	15.344
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8.500	8.652	15.500	16.009
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9.500	9.690	16.500	17.078
9.625	9.820	16.625	17.212
9.750	9.950	16.750	17.345
9.875	10.080	16.875	17.480
10.000	10.211	17.000	17.614
10.125	10.341	17.125	17.748
10.250	10.471	17.250	17.882
10.375	10.602	17.375	18.016
10.500	10.732	17.500	18.151
10.625	10.863	17.625	18.285
10.750	10.994	17.750	18.419
10.875	11.124	17.875	18.554
11.000	11.255	18.000	18.689
11.125	11.386	18.125	18.823
11.250	11.517	18.250	18.958
11.375	11.648	18.375	19.093
11.500	11.779	18.500	19.228
11.625	11.910	18.625	19.363

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

11.750	12.041	18.750	19.498
11.875	12.173	18.875	19.633
12.000	12.304	19.000	19.768
12.125	12.435	19.125	19.903
12.250	12.567	19.250	20.039
12.375	12.698	19.375	20.174
12.500	12.830	19.500	20.310
12.625	12.962	19.625	20.445
12.750	13.094	19.750	20.581
12.875	13.225	19.875	20.716

10. Additional or Modified Terms:

Conflict

If there is any conflict between this mortgage and the Commitment Letter, the terms of the Commitment Letter shall govern and take precedence.

Acknowledgement and Direction

By signing this Mortgage, you are agreeing that the property described herein shall remain free and clear of all encumbrances, liens, mortgages, charges, security interests, and other financing agreements of any kind subordinate to our interest in the property except those approved in writing by us throughout the term of this Mortgage and any renewal or renewals thereof and any such encumbrances which may arise without our express consent will be immediately discharged by you.

Merger or Transfer

This Mortgage may not be merged with any other property nor can your title to the property described herein be consolidated in any way or transferred to any other property.

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 8 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Maree Bullivant
33GRLI

Digitally signed by
Maree Bullivant 33GRLI
Date: 2020.11.02
09:43:03 -08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)
- MAREE BULLIVANT, BLAKE, CASSELS & GRAYDON LLP, BARRISTERS & SOLICITORS**
595 BURNARD STREET, P.O. BOX 49314 (604) 631-5233 LTO Client No: 11163
SUITE 2600, THREE BENTALL CENTRE c/m: 19350/580
VANCOUVER BC V7X 1L3 Doc ID No: 51222653
 Document Fees: \$149.74 Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
 [PID] [legal description]

SEE SCHEDULE

STC? YES ☐

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

SPALLUMCHEEN FARM LTD.

5385 BACK ENDERBY ROAD
ARMSTRONG

V0E 1B8

BRITISH COLUMBIA
CANADA

Incorporation No
BC0114383

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

THE BANK OF NOVA SCOTIA

A CANADIAN CHARTERED BANK
4715 TAHOE BOULEVARD
MISSISSAUGA
CANADA

ONTARIO
L4W 0B4

5. PAYMENT PROVISIONS:

(a) Principal Amount: SEE SCHEDULE	(b) Interest Rate: SEE SCHEDULE	(c) Interest Adjustment Date: N/A	Y	M	D
(d) Interest Calculation Period: SEE SCHEDULE	(e) Payment Dates: SEE SCHEDULE	(f) First Payment Date: N/A			
(g) Amount of each periodic payment: SEE SCHEDULE	(h) <i>Interest Act</i> (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is SEE SCHEDULE % per annum.	(i) Last Payment Date: N/A			
(j) Assignment of Rents which the applicant wants registered ? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If YES, page and paragraph number: PAGE 5, PARAGRAPH 6 OF MT900105	(k) Place of payment: POSTAL ADDRESS IN ITEM 4	(l) Balance Due Date: ON DEMAND			

6. MORTGAGE contains floating charge on land ?

YES ☐ NO ☒

7. MORTGAGE secures a current or running account ?

YES ☒ NO ☐

8. INTEREST MORTGAGED:

Fee Simple ☒Other (specify) ☐

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms ☐(b) Filed Standard Mortgage Terms ☒(c) Express Mortgage Terms ☐

D F Number: MT900105

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

Edward K. Kaye

Barrister & Solicitor

201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

(as to all signatures)

Execution Date

Y	M	D
20	10	31

Borrower(s) Signature(s)

SPALLUMCHEEN FARM LTD., by
its authorized signatory(ies):

Name: Joseph Bifano

Name:

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM E****SCHEDULE**PAGE 3 OF 8 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES ☐

[PID]

[LEGAL DESCRIPTION – must fit in a single text line]

011-498-986 DISTRICT LOT 94 OSOYOOS DIVISION YALE DISTRICT**011-291-761 LOT 2 SEC 26 TP 35 KAMLOOPS (FORMERLY OSOYOOS) DIVISION YALE DISTRICT PLAN 2011****011-255-188 LOT 3 SEC 26 TP 35 KAMLOOPS (FORMERLY OSOYOOS) DIVISION YALE DISTRICT PLAN 2080****011-367-750 LOT 6 DL 148 KAMLOOPS DIVISION YALE DISTRICT PLAN 1654****011-367-784 LOT 7 DL 148 KAMLOOPS DIVISION YALE DISTRICT PLAN 1654**

**LAND TITLE ACT
FORM E****SCHEDULE**PAGE 4 OF 8 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

014-003-449**THE FRACTIONAL SOUTH WEST 1/4 SECTION 35 TOWNSHIP 35 KAMLOOPS
(FORMERLY OSOYOOS) DIVISION YALE DISTRICT EXCEPT PLAN A402**

STC?

YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

013-795-848**THAT PART OF SECTION 13 WHICH IS BOUNDED ON THE NORTH BY
DISTRICT LOT 148 OSOYOOS DIVISION YALE DISTRICT ON THE EAST BY
DISTRICT LOT 94 OSOYOOS DIVISION YALE DISTRICT, ON THE SOUTH BY
DISTRICT LOT 92 OSOYOOS DIVISION YALE DISTRICT AND ON THE WEST
BY THE RIGHT BANK OF FORTUNE CREEK AS SHOWN ON PLAN OF SAID
TOWNSHIP DATED AT OTTAWA ON THE 10TH DAY OF JANUARY, 1902
INCLUDING ALL THE TIMBER THEREON TOWNSHIP 18 RANGE 9 WEST OF
THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT**

STC?

YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

STC?

YES ☐

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

5. Payment Provisions:

(a) Principal Amount; (b) Interest Rate:

(i) You give us this mortgage to secure the payment to us, on demand, of the debts and liabilities described in (ii) up to:

- (a) a maximum principal amount of \$ unspecified, plus
- (b) interest on the debts and liabilities described in (ii) at a maximum rate equal to the **Prime Lending Rate of The Bank of Nova Scotia** from time to time plus 6 % per annum, calculated on a daily basis and payable monthly, both before and after demand or default and judgment and interest on overdue interest at the same rate and calculated and payable in the same way, plus
- (c) the additional amounts payable under the heading **we may recover our expenses** in the Part 2 Standard Mortgage Terms of this mortgage.

(ii) The debts and liabilities referred to in (i) are all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by you to us, or remaining unpaid by you to us, in any currency, whether arising from dealings between you and us or from any other dealings or proceedings by which we may be or become in any manner whatever your creditor, and wherever incurred and whether incurred by you alone or with another or others and whether as principal or surety.

(iii) If the debts and liabilities described in (ii) exceed the maximum principal amount or rate of interest stated in (i) we may decide what part of them is secured by the mortgage.

(d) Interest Calculation Period:

Interest will be calculated as set out in the amended and restated commitment letter dated October 16 2020, as amended from time to time (the "**Commitment Letter**") made between, amongst others, the Mortgagee, as lender, and the Mortgagor, as borrower.

(e) Payment Dates; (g) Amount of each periodic payment:

The timing and amount of periodic payments will be as required by the Mortgagee pursuant to the Commitment Letter.

(h) *Interest Act* (Canada) Statement:

for purposes of the *Interest Act* (Canada) the equivalent rates of interest calculated half-yearly not in advance shall be determined by reference to the chart below:

Current Mortgage Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Current Mortgage Rate Calculated Monthly Not in Advance (%)	Current Interest Rate Calculated Half-Yearly Not in Advance (%)

SCHEDULE

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	13.000	13.357
6.125	6.204	13.125	13.489
6.250	6.332	13.250	13.621

SCHEDULE

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

6.375	6.460	13.375	13.753
6.500	6.589	13.500	13.885
6.625	6.717	13.625	14.018
6.750	6.846	13.750	14.150
6.875	6.974	13.875	14.282
7.000	7.103	14.000	14.415
7.125	7.232	14.125	14.547
7.250	7.360	14.250	14.680
7.375	7.489	14.375	14.812
7.500	7.618	14.500	14.945
7.625	7.747	14.625	15.078
7.750	7.876	14.750	15.211
7.875	8.005	14.875	15.344
8.000	8.135	15.000	15.477
8.125	8.264	15.125	15.610
8.250	8.393	15.250	15.743
8.375	8.522	15.375	15.876
8.500	8.652	15.500	16.009
8.625	8.781	15.625	16.143
8.750	8.911	15.750	16.276
8.875	9.041	15.875	16.409
9.000	9.170	16.000	16.543
9.125	9.300	16.125	16.677
9.250	9.430	16.250	16.810
9.375	9.560	16.375	16.944
9.500	9.690	16.500	17.078
9.625	9.820	16.625	17.212
9.750	9.950	16.750	17.345
9.875	10.080	16.875	17.480
10.000	10.211	17.000	17.614
10.125	10.341	17.125	17.748
10.250	10.471	17.250	17.882
10.375	10.602	17.375	18.016
10.500	10.732	17.500	18.151
10.625	10.863	17.625	18.285
10.750	10.994	17.750	18.419
10.875	11.124	17.875	18.554
11.000	11.255	18.000	18.689
11.125	11.386	18.125	18.823
11.250	11.517	18.250	18.958
11.375	11.648	18.375	19.093
11.500	11.779	18.500	19.228
11.625	11.910	18.625	19.363

Enter The Required Information In The Same Order As The Information Must Appear On The Freehold Transfer Form, Mortgage Form Or General Document Form

11.750	12.041	18.750	19.498
11.875	12.173	18.875	19.633
12.000	12.304	19.000	19.768
12.125	12.435	19.125	19.903
12.250	12.567	19.250	20.039
12.375	12.698	19.375	20.174
12.500	12.830	19.500	20.310
12.625	12.962	19.625	20.445
12.750	13.094	19.750	20.581
12.875	13.225	19.875	20.716

10. Additional or Modified Terms:

Conflict

If there is any conflict between this mortgage and the Commitment Letter, the terms of the Commitment Letter shall govern and take precedence.


Acknowledgement and Direction

By signing this Mortgage, you are agreeing that the property described herein shall remain free and clear of all encumbrances, liens, mortgages, charges, security interests, and other financing agreements of any kind subordinate to our interest in the property except those approved in writing by us throughout the term of this Mortgage and any renewal or renewals thereof and any such encumbrances which may arise without our express consent will be immediately discharged by you.

Merger or Transfer

This Mortgage may not be merged with any other property nor can your title to the property described herein be consolidated in any way or transferred to any other property.

This is Exhibit “ P ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

April 1, 2020

Bank of Nova Scotia
4715 Tahoe Boulevard
Mississauga, ON L4W 0B4
Attention: Lee Gogal

Dear Sirs:

Re: Bifano Farms Inc % interest in SSC Ventures (No 105) Ltd., Joseph Bifano, President
Continuous Daily Quota Allotted by General Allotment 128.93 kgs/day
Other Continuous Daily Quota 390.84 kgs/day

The Board confirms receipt of notice from you that Bifano Farms Inc., Joseph Bifano, President ("the Producer") is indebted to you, and that you hold a security interest in the above referenced Continuous Daily Quota allotted by the Board to the Producer (the "Quota") in accordance with Assignment of Continuous Daily Quota Security Agreement dated March 24, 2020.

In the event that the Board receives an application from the Producer to transfer all or part of the Quota, the Board undertakes to provide you with prior written notice (directed to you at the address set out above) of the details of such application including the amount to be received for the Quota. Alternatively, upon approval of the application and receipt of the funds from the transferee, the Board undertakes to mail to you a cheque representing such funds, payable jointly to you and to the Producer.

Subject to the following paragraphs, in the event you become entitled to sell or cause the sale of the Quota in consequence of a default arising under your security interest, we agree to approve a transfer of the Quota to any person qualified to receive such an allotment under applicable legislation, regulations, and the Board's Consolidated Order, as amended from time to time.

In the event that the Board should consider cancelling the Quota or any part thereof because the Producer has failed to comply with applicable legislation, regulations, or the Board's Consolidated Order, as amended from time to time, and in the event that the Board should provide the Producer with written notice of such default and demand for rectification, the Board undertakes to provide you with concurrent written notice of default and demand for rectification (directed to you at the address set out above).

Quota allotted by the Board to the Producer may be varied by the Board. In the event that the Board should consider varying the Quota or any part thereof, and in the event that the Board should provide the Producer with written notice of an opportunity to attend and show cause as to why such Quota should not be so varied, the Board undertakes to provide you with concurrent written notice of an opportunity to attend and show cause (directed to the lenders at the address set out above).

Notwithstanding any of the foregoing, the Board shall not be liable for any inadvertent breach of any of the undertakings herein contained, it being expressly agreed that the Board shall use its best efforts to achieve compliance with the undertakings herein contained.

Our internal records do not indicate the existence of any other party having an interest in the Quota save and except Bank of Montreal, 8249 Eagle Landing Parkway, Chilliwack, BC V2R 0P9, in First Place. Please direct any questions with respect to this document to Kathy Wallis at 604.854.4471 or kwallis@bcmilk.com.

B.C. MILK MARKETING BOARD

BY: Kwallis
For Zahra Abdalla-Shamji, Director, Policy & Industry Affairs

THE TRANSFER OF ALL QUOTA IS SUBJECT TO THE PROVISIONS OF THE B.C. MILK MARKETING BOARD CONSOLIDATED ORDER OF JUNE 7, 2019, AS AMENDED.

cc: Bifano Farms Inc., Joseph Bifano, President
Blake, Cassels & Graydon LLP

ASSIGNMENT OF CONTINUOUS DAILY QUOTA SECURITY AGREEMENT

Britannia Farm's Inc's 90% interest of

The undersigned (hereinafter called the "Assignor") of SSC Ventures (No. 105) Ltd. in the Province of British Columbia, in consideration of One Dollar and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Assignor) paid by THE BANK OF NOVA SCOTIA (the "Bank") to the Assignor, hereby assigns and transfers to the Bank, as a general and continuing collateral security for the payment and performance of all of the Assignor's debts and liabilities to the Bank, present or future, direct or indirect, absolute or contingent and whether owed as principal, guarantor, indemnitor or otherwise and the performance of the Assignor's other obligations to the Bank (all such debts, liabilities and obligations being "the Obligations"), all right, title and interest in the Continuous Daily Quota (the "Quota") held from time to time by the Assignor and issued pursuant to the Natural Products Marketing (BC) Act by the Milk Marketing Board of British Columbia (hereinafter called the "Board"). This transfer and assignment (the "Assignment") shall constitute an effective assignment of any increases in the said Quota which may be granted from time to time, and any new Quota issued to the Assignor in addition to or in substitution for the Quota hereby assigned and all monies now due and payable or to become due and payable hereafter by the Board to the Assignor. In the event that this Assignment secures a current or running account, this Assignment shall not be considered as satisfied or discharged by any payment of the whole or part of the Obligations secured.

This Assignment is in addition to and not in substitution for any other security now or hereafter held by the Bank and the Bank may realize upon various securities securing the Obligations hereby secured or any part thereof in such order as it may be advised and any such realization by any means upon any security shall not bar realization upon any other security or this Assignment.

This Assignment is given as and by way of additional concurrent collateral security to all other forms of security given to the Bank by the Assignor, and any default under the terms of any other such security shall constitute default hereunder and any default under the provisions hereof shall constitute a default under such other security.

The Assignor authorizes the Bank that upon default by the Assignor in the performance or payment of the Obligations, or any part thereof, with the approval of the Board, the Bank is entitled to dispose of the Quota as if the Bank were the absolute owner thereof.

If the Assignor is not indebted or otherwise obligated to the Bank and if the Assignor requests, the Bank will deliver a discharge of this Assignment.

The Assignor hereby waives all rights to receive a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of the security interest granted by the Assignor to the Bank herein.

The Assignment shall not operate by way of merger of any indebtedness of the Assignor to the Bank of any contract or instrument by which the same may now or at any time hereafter be represented or evidenced and no judgement recovered by the Bank shall operate by way of merger of the Assignment or in any way affect the security hereby created or the Bank's right to interest as aforesaid.

The Bank is hereby authorized to give notice of the Assignment of Continuous Daily Quota Security Agreement to the Board.

Upon the Bank's request the Assignor agrees to provide and/or to execute such other deeds, instruments, documents, and things which in the opinion of the Bank may be necessary or desirable in connection with this Assignment.

The Board is hereby authorized to furnish all information relating to the Quota requested by the Bank from time to time.

Dated at Chilliwack, British Columbia, this 24 day of March, 2020.

SIGNED SEALED AND DELIVERED BY


Signature
SHANE M. RUTLEDGE
Bank/Company & Solicitor
WATERSTONE LAW GROUP LLP
Address 201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777
Assignment Revised August 2017


Registered Quota Holder - Signature

Registered Quota Holder - Signature

May 1, 2020

Bank of Nova Scotia
4715 Tahoe Boulevard
Mississauga, ON L4W 0B4
Attention: Lee Gogal

Dear Sirs,

Re: SSC Ventures (No 105) Ltd., Joseph Bifano, President

We have received the Assignment of Proceeds for the above named, regarding their milk cheque proceeds.

This letter serves to acknowledge our receipt of the assignment. We will keep the assignment in the producer's permanent file for future reference.

Please direct any questions with respect to this document to Kathy Wallis at 604.854.4471 or kwallis@bcmilk.com.

Yours truly,

Kwallis

For Zahra Abdalla-Shamji
Director, Policy & Industry Affairs

cc: SSC Ventures (No 105) Ltd., Joseph Bifano, President
Blake, Cassels & Graydon LLP

Assignment of Proceeds

THE UNDERSIGNED SSC Ventures (No. 105) Ltd. (hereinafter called the
(name, firm or company)

Assignor for valuable consideration hereby:

(1) assigns to The Bank of Nova Scotia (hereinafter called the Bank at 4715 Tahoe Boulevard Mississauga, Ontario, L4W 0B4, (hereinafter called the Branch) all accounts and debts now due or hereafter to become due to the Assignor with respect to the sale of milk by the Assignor or by any agent on behalf of the Assignor, and all interest, if any, due and to become due from such sales and all rights and benefits there under, and all proceeds thereof and there from TO HOLD the same unto the Bank absolutely;

(2) covenants and agrees that he will not, without the prior written consent of the manager for the time being of the Branch, consent or agree to termination or to any modification or modifications of the said instrument or instruments and that if said manager so consents the Assignor will promptly after any such termination or modification deliver to the Bank copies of all instruments, documents and writings including correspondence evidencing any such termination or modification;

(3) covenants and agrees to furnish to the Bank, whenever requested by an officer or agent thereof, all books, accounts, letters, invoices, papers and documents in any way evidencing or relating to the said money now due or hereafter to become due;

(4) covenants and agrees that this present assignment shall be a continuing collateral security to the Bank for the payment of all and every indebtedness and liability, present and future, direct or indirect, absolute or contingent of the undersigned to the Bank and any ultimate unpaid balance thereof with interest;

(5) covenants and agrees to execute and do all deeds, documents and things which in the opinion of the manager for the time being of the Branch may be necessary or desirable in connection with this Assignment;

(6) authorizes the Bank in the name of the Assignor to give notice to the B. C. Milk Marketing Board to pay to the Bank any and all proceeds of sale owing to the Assignor which may be received by the Board with respect to the sale of milk on behalf of the Assignor and authorizes the Bank to sue for, collect and enforce payment of the said accounts, debts and interest and to do any act or thing or take any proceeding thought expedient by the manager for the time being of the Branch;

(7) covenants and agrees to indemnify and save harmless the Bank from and against all damages, costs and expenses suffered or incurred by the Bank in relation to this assignment and enforcement of the instrument or instruments;

(8) covenants and agrees that the Bank may grant extensions, take and give up securities, accept compositions, grant releases and discharges and generally deal with the said debts in its absolute discretion without consent of or notice to the undersigned, and the Bank shall not be responsible for any loss or damage which may occur in consequence of the negligence of any officer, agent or solicitor employed in the collection or realization thereof, and the Bank shall not be obliged to preserve rights against other persons;

(9) covenants and agrees that if the amount of any of the said accounts and debts be paid to the undersigned, the undersigned (or such one or other of them as shall receive the same) hereby agrees to receive it as agent of and in trust for the Bank and forthwith to pay over the same time; and

(10) waives receipt of any financing statement registered by the Bank and any confirmation of registration received by the Bank with respect to this assignment.

DATED at Chilliwack this 24 day of March, 2020

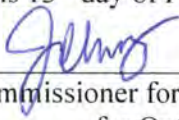
Executed in the presence of:

SSC Ventures (No. 105) Ltd.

Authorized signatory:

SHANE M. RUTLEDGE
Barrister & Solicitor
WATERSTONE LAW GROUP LLP
201 - 45793 Luckakuck Way
Chilliwack, BC V2R 5S3
(604) 824-7777

This is Exhibit " Q " referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024


A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

FORBEARANCE AGREEMENT
AND AMENDMENT TO COMMITMENT LETTER

THIS AGREEMENT is made as of December 29, 2022

BETWEEN:

BIFANO CONSOLIDATED INC., NATA FARMS INC. and SPALLUMCHEEN FARMS LTD. as borrowers (collectively, the **"Borrowers"**),

OF THE FIRST PART,

- and -

BIFANO FARMS INC., SSC VENTURES (NO. 92) LTD., SSC VENTURES (NO. 105) LTD. and JOSEPH BIFANO as guarantors (collectively, the **"Guarantors"**),

OF THE SECOND PART,

- and -

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, as lender (the **"Bank"**),

OF THE THIRD PART,

WHEREAS:

- A. The Borrowers, the Guarantors and the Bank are party to a commitment letter dated as of April 29, 2022 (as amended, restated, supplemented or modified to the date hereof, the **"Commitment Letter"**);
- B. The Cash Sweep provisions of Credit Number 03 of the Commitment Letter require the Borrowers to apply a certain portion of their Surplus Cash Flow in each year in prepayment of that Credit within 365 days of the end of each fiscal year of Bifano Consolidated (the **"Cash Sweep"**);
- C. The General Conditions provisions of the Commitment Letter restrict the Borrowers from incurring capital and operating leases exceeding \$8,500,000 funded outside of the Credit Facilities authorized under the Commitment Letter (the **"Lease Cap"**);
- D. The General Borrower Reporting Conditions provisions of the Commitment Letter require the Borrowers to deliver quarterly interim financial statements and a Borrowing Base Certificate, each as deemed acceptable to the Bank, within 45 days of the end of each fiscal quarter of Bifano Consolidated Inc.'s (the **"Quarterly Reporting Conditions"**);
- E. The Borrowers failed to comply with the Cash Sweep and Lease Cap for the fiscal year of Bifano Consolidated Inc. ending on July 31, 2022 and with the Quarterly Reporting Conditions for the fiscal quarter of Bifano Consolidated Inc. ending on October 31, 2022 (the **"Disclosed Defaults"**), which Disclosed Defaults are continuing as at the time of this Agreement;

F. The Borrowers have requested that the Bank forbear from exercising its rights and remedies under the Section 10 (*Acceleration*) of Schedule A to the Commitment Letter or otherwise under law with respect to the Disclosed Defaults.

G. The Bank is willing to provide such limited forbearance subject to and upon the terms and conditions set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. Interpretation

1.1. Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

1.2. The following defined terms shall for all purposes of this Agreement, or any amendment, substitute, supplement, replacement, addition or schedule hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

- (a) **"Forbearance Default"** means the occurrence or existence of any or all of the following:
 - (i) the failure by any of the Borrowers to comply with any covenant or obligation set forth in this Agreement;
 - (ii) the failure of the Borrowers to pay the Forbearance Fee (as defined below);
 - (iii) the Bank becoming aware that any material representation or warranty made, or any material information provided, by any Borrower or Guarantor to the Bank was false, incorrect or incomplete in any material respect as of the date so made or provided; and
 - (iv) the occurrence or existence of any breach or default or Event of Default under the Commitment Letter, other than the Disclosed Defaults; and
- (b) **"Forbearance Period"** shall mean the period beginning on the occurrence of the Disclosed Defaults and ending on the earlier of (x) January 31, 2023 and (y) the occurrence of a Forbearance Default.

1.3. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, references herein to "Sections" are to Sections of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto.

1.4. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

2. Acknowledgements

2.1. Each of the Borrowers hereby acknowledges, confirms, represents, warrants and agrees:

- (a) that each of the recitals above are true and correct;
- (b) the Disclosed Defaults have occurred and are continuing and, as a result of the Disclosed Defaults, the Bank is and will be entitled to exercise its rights and remedies pursuant to the Commitment Letter, including, without limitation, the right to declare all Credits immediately due and to enforce the General Security;
- (c) except as set out herein, the Bank has no commitment or other obligation to extend further credit to any of the Borrowers or to forbear from exercising their respective rights and remedies under the Commitment Letter and the General Security and the Bank has reserved all of their respective rights to take such steps as it deems advisable, including, without limitation and in its sole and absolute discretion, to demand payment of the Credits and thereafter, enforce any and all remedies available to it, at law and in equity;
- (d) that upon the execution of this Agreement, each of them will absolutely and irrevocably release the Bank, its officers, directors, employees, solicitors and agents (the “**Releasees**”) of and from any and all claims which each of them may have in respect of those Releasees up to and including the date of this Agreement including any actions taken by the Bank in dealing with the Borrowers and Guarantors, the Credits or with the administration of the Borrowers’ accounts with the Bank, other than any claims arising from the gross negligence or wilful misconduct of any of the Releasees; and
- (e) time is and continues to be of the essence in performance of the obligations set out in the Commitment Letter.

3. **Forbearance**

3.1. Subject to the terms and conditions of this Agreement:

- (a) the Bank hereby agrees to forbear from exercising its acceleration right pursuant to Section 10 (*Acceleration*) of Schedule A to the Commitment Letter and from enforcing its rights and remedies under the General Security, in each case with respect to the Disclosed Defaults, during the Forbearance Period;
- (b) notwithstanding anything to the contrary in this Agreement, (i) the agreement of the Bank under Section 3.1(a) is solely with respect to the Disclosed Defaults and the rights expressly forbore in respect thereof, and shall not constitute a forbearance or waiver of any other rights or remedies of the Bank under the Commitment Letter or the General Security or with respect to any other breach, default or event of default (each, an “**Other Default**”) that may arise during or after the Forbearance Period, and (ii) the Bank shall be entitled to exercise (x) all rights and remedies with respect to any Other Default during the Forbearance Period and (y) all rights and remedies other than those expressly forbore pursuant to Section 3.1(a) with respect to the Disclosed Defaults during the Forbearance Period;
- (c) notwithstanding anything to the contrary in this Agreement, the agreement of the Bank under Section 3.1(a) shall not constitute a forbearance or waiver of any other rights or remedies under the Commitment Letter or the General Security with respect to the Disclosed Defaults on and after the expiration of the Forbearance Period and the Bank will be entitled to exercise all rights and remedies with respect to the Disclosed Defaults on and after the expiration of the Forbearance Period; and

- (d) except as otherwise expressly provided for in this Agreement, the Bank expressly reserves any and all of their respective rights and remedies under the Commitment Letter or the General Security or at law or in equity.

4. Interest Rate and Availments

4.1. Notwithstanding the provisions of the Commitment Letter (but subject to the other terms and conditions of this Agreement), during the Forbearance Period, or until such time as the advised by the Bank, and no Other Default, as applicable, has occurred or is continuing under the Credit Agreement or hereunder:

- (a) all rates of the interest set out in the Commitment Letter shall remain unchanged from what is set out in the Commitment Letter; provided that, for the avoidance of doubt, the Bank reserves the right to adjust at any time any such interest rates or fees payable under the Commitment Letter pursuant to the terms thereof, including Section 3 (*Interest Rate / Bankers Acceptance Spread*) of Schedule A to the Commitment Letter; and
- (b) other than advances of Credit Number 01 and Credit Number 02, which the Borrowers may avail during the Forbearance Period, no Borrower shall make or request any advance, rollover, overdraft or other availment under the Commitment Letter and the Bank shall not be obliged to honour any request for an advance, rollover, overdraft or other available under the Commitment Letter.

4.2. In no event will this Agreement, including the arrangements and agreements made herein, or the Bank's honouring of any advance, rollover, overdraft or other availment under the Commitment Letter, be deemed a permanent forbearance or waiver of the Disclosed Defaults or any other non-compliance with the terms of the Commitment Letter that has or may hereafter occur.

5. Forbearance Fee

5.1. In consideration of the Bank entering into this Agreement, the Borrowers agree to pay to the Bank a forbearance fee in the amount of \$10,000 (the "**Forbearance Fee**"). The Forbearance Fee will be fully earned on the date on which it is paid. The Borrowers authorize the Bank to debit one of the accounts of the Borrowers held with the Bank in respect of, and in order to satisfy payment of, the Forbearance Fee.

6. Amendments to the Credit Agreement

Subject to the satisfaction of the conditions precedent set forth in Section 8 below, the Commitment Letter is hereby amended as follows:

6.1. Credit Number 01 of the Commitment Letter is hereby amended by increasing the Authorized Amount thereof from \$5,000,000 to \$5,600,000 on a temporary basis during the Forbearance Period; provided that upon termination of the Forbearance Period, the Authorized Amount of Credit Number 01 will immediately and without any further agreement between the Borrowers and the Bank reduce back to \$5,000,000.

6.2. The General Conditions provisions of the Commitment Letter are hereby amended to add the following items as additional conditions that apply in respect of the Credits until all debts and liabilities under the Credits have been discharged in full (without derogation from or waiving or otherwise affecting any of the existing terms and conditions set out therein):

January 13, 2022

- (a) The Borrowers shall deliver to the Bank by no later than ~~January 6, 2023~~

- (i) consolidated internal financial statements of the Borrowers and a Borrowing Base Certificate, with aged listings of accounts receivables, accounts payables and details of all inventories, in all cases satisfactory to the Bank, for the period ending November 30, 2022;
 - (ii) satisfactory details with respect to the \$680,000 due in goods and services taxes and all other government remittances of the Borrowers;
 - (iii) the most recent milk cheque for each of Nata Farms Inc. and Bifano Farms Inc.; and
 - (iv) satisfactory confirmation of the total amount of dairy quota held in British Columbia by the Borrowers and Guarantors.
- (b) The Borrowers shall deliver to the Bank by no later than January 16, 2023 a plan outlining how they will remediate the accuracy and timeliness of their financial reporting, in a manner satisfactory to the Bank.
 - (c) The Borrowers shall deliver to the Bank by no later than April 15, 2023 a month-by-month cashflow forecast for the Borrowers for the period starting April 30, 2023 and ending July 31, 2024, in form and substance satisfactory to the Bank.

6.3. The General Borrower Reporting Conditions provisions of the Commitment Letter are hereby deleted in their entirety and replaced with the following:

- (a) Annual consolidated review engagement financial statements of the Borrowers, prepared in accordance with generally accepted accounting principles ("GAAP") applicable at the date of the financial statements, within 120 days of the Borrowers' fiscal year end.
- (b) Annual unconsolidated compilation engagement financial statements of Bifano, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of Bifano's fiscal year end.
- (c) Annual unconsolidated compilation engagement financial statements of Nata, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of Nata's fiscal year end.
- (d) Annual unconsolidated compilation engagement financial statements of Spallumcheen, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of Spallumcheen's fiscal year end.
- (e) Monthly consolidated interim financial statements of the Borrowers, within 30 days of period end, commencing with the month ending December 31, 2022.
- (f) Monthly Borrowing Base Certificate with aged listings of accounts receivables, accounts payables and details of all inventory, within 30 days of period end, commencing with the month ending December 31, 2022.
- (g) A copy of the milk production statements of each of Nata and Bifano Farms Inc., within 120 days of the Borrowers' fiscal year (together with the annual financial statements of the Borrowers) or upon request of the Bank.
- (h) A summary of the personal finances of the Personal Guarantor, upon request of the Bank.

- (i) A copy of a renewal certificate in respect of the Borrowers' insurance, with the Bank listed as loss payee, annually.

7. **Representations and Warranties of the Borrowers and Guarantors**

Each Borrower and Guarantor hereby represents and warrants as follows to the Bank and acknowledges and confirms that the Bank is relying upon such representations and warranties:

(a) ***Capacity, Power and Authority***

- (i) It is duly formed, amalgamated or incorporated, as the case may be, and is validly subsisting under the laws of its jurisdiction of formation, amalgamation or incorporation, as the case may be, and has all the requisite capacity, power and authority to carry on its business as presently conducted and to own its property.
- (ii) It has the requisite capacity, power and authority to execute and deliver this Agreement.

(b) ***Authorization; Enforceability***

It has taken or caused to be taken all necessary action to authorize, and has duly executed and delivered, this Agreement, and this Agreement is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, winding up, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights generally and to the equitable and statutory powers of the courts having jurisdiction with respect thereto.

(c) ***Compliance with Other Instruments***

The execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated herein do not conflict with, result in any breach or violation of, or constitute a default under the terms, conditions or provisions of its articles, by-laws or other constating documents or any unanimous shareholder agreement relating to it, or of any law, regulation, judgment, decree or order binding on or applicable to it or to which its property is subject or of any material agreement, lease, licence, permit or other instrument to which it or any of its subsidiaries is a party or is otherwise bound or by which any of them benefits or to which any of their property is subject and, except as have been unconditionally obtained, are in full force and effect, unamended, and have been disclosed in writing to the Bank, do not require the consent or approval of any governmental authority or any other party.

(d) ***Commitment Letter Representations and Warranties***

Except as disclosed herein, each of the representations and warranties of the Borrowers and Guarantors set forth in the Commitment Letter is true and accurate in all respects as of the date hereof other than any such representations and warranties which expressly speak of an earlier date.

(e) ***No Default***

Except for the Disclosed Defaults, as at date upon which the conditions precedent set forth in Section 8 herein are satisfied, no default or event of default under the Commitment Letter has occurred or is continuing.

The representations and warranties set out in Sections 7 of this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigations or examinations which may be made by or on behalf of the Bank or the Bank's counsel. Such representations and warranties shall survive until the Commitment Letter has been terminated.

8. Conditions Precedent

The forbearance and other accommodations granted by the Bank under this Agreement and the amendments to the Commitment Letter set forth above shall be effective upon, and shall be subject to, the following conditions precedent:

- (a) the Bank shall have received a duly authorized, executed and delivered copy of this Agreement executed by the Borrowers and Guarantors and each other party hereto;
- (b) payment to the Bank of the Forbearance Fee and all other fees and expenses of the Bank (including reasonable fees and expenses of counsel) in respect of this Agreement,

failing which, the forbearance and other accommodations set out herein and the amendments to the Commitment Letter set out above shall be of no force or effect.

The foregoing conditions precedent are inserted for the sole benefit of the Bank and may be waived in writing by the Bank, in whole or in part (with or without terms and conditions).

9. General Confirmation of the Commitment Letter

- (a) The Commitment Letter and all covenants, terms and provisions thereof, except as expressly modified by this Agreement, shall be and continue to be in full force and effect and the Commitment Letter as modified by this Agreement is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect as herein modified, with such modifications being effective from and as of the date hereof upon satisfaction of the conditions precedent set forth in Section 8 hereof.
- (b) Each of the undersigned hereby confirms and agrees that any Guarantee and any General Security to which it is party, as amended, modified or supplemented in connection with or pursuant to this Agreement, shall remain in full force and effect in all respects, notwithstanding the modification of the Commitment Letter pursuant to this Agreement, and shall continue to exist and apply to, and secure all of the Credits under, pursuant or relating to the Commitment Letter as amended by this Agreement. This Section 9 is in addition to and shall not limit, derogate from or otherwise affect any provisions of any Guarantee or any General Security.

10. Further Assurances

The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are reasonably required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

11. Indemnity

The Borrowers agree to fully indemnify the Bank for all costs including, without limiting the generality of the foregoing, all actual present and future legal and Bank fees and disbursements incurred by

the Bank in respect of or in any way related to the Borrowers and Guarantors including, without limitation, the Bank's legal fees in connection with the preparation and enforcement of this Agreement.

12. Enurement

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

13. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Such executed counterparts may be delivered by facsimile or other electronic transmission and, when so delivered, shall constitute a binding agreement of the parties hereto.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Bank and the Borrowers and Guarantors have executed this Agreement as of the first date written above.

THE BANK:

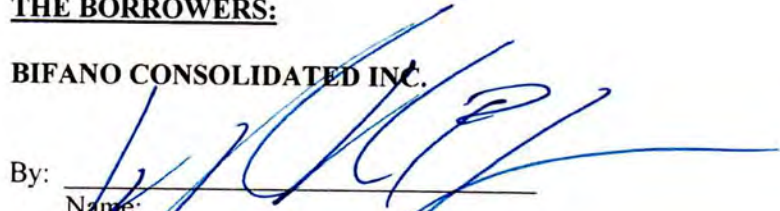
THE BANK OF NOVA SCOTIA

By: Amanda McCardell
Name Amanda McCardell
Title Client Relationship Manager

By: _____
Name
Title

THE BORROWERS:

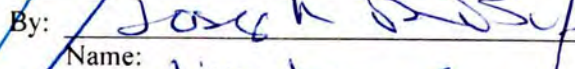
BIFANO CONSOLIDATED INC.

By: 
Name: _____
Title: _____


By: 
Name: Joseph R. Boyle
Title: Director

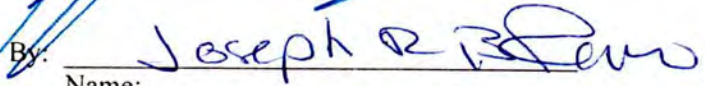
NATA FARMS INC.

By: 
Name: _____
Title: _____

By: 
Name: Joseph R. Boyle
Title: Director

SPALLUMCHEEN FARMS LTD.

By: 
Name: _____
Title: _____

By: 
Name: Joseph R. Boyle
Title: Director

THE GUARANTORS:

JOSEPH BIFANO,
as an individual

BIFANO FARMS INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SSC VENTURES (NO. 92) LTD.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SSC VENTURES (NO. 105) LTD.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**SECOND FORBEARANCE AGREEMENT
AND INTERIM RESTATEMENT OF COMMITMENT LETTER**

THIS AGREEMENT is made as of February 13, 2023

BETWEEN:

**BIFANO CONSOLIDATED INC., NATA FARMS INC. and
SPALLUMCHEEN FARMS LTD.** as borrowers (collectively, the
“**Borrowers**”),

OF THE FIRST PART,

- and -

**BIFANO FARMS INC., SSC VENTURES (NO. 92) LTD., SSC
VENTURES (NO. 105) LTD. and JOSEPH BIFANO** as guarantors
(collectively, the “**Guarantors**”),

OF THE SECOND PART,

- and -

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, as lender
(the “**Bank**”).

OF THE THIRD PART.

WHEREAS:

A. The Borrowers, the Guarantors and the Bank are party to a commitment letter dated as of April 29, 2022 (as amended, restated, supplemented or modified to the date hereof, including by the First Forbearance and Amendment Agreement (as defined below), the “**Commitment Letter**”);

B. The Borrowers failed to comply with the following requirements under the Commitment Letter and the First Forbearance and Amendment Agreement (as defined below) (collectively, the “**Existing Breaches**”):

(i) maintain a sufficient borrowing base amount in relation to the outstanding balance of their operating overdraft facility with the Bank for the period ending on November 30, 2022;

(ii) make an interest payment of \$59,915.57 when due on January 20, 2023 (which was paid late on January 30, 2023);

(iii) Nata Farms Inc. retains an operating account at Bank of Montreal, in breach of the requirement of the Borrowers to maintain all of their operating accounts only with the Bank;

(iv) provide internal financial statements for the periods ending on November 30, 2022 (which were due on January 13, 2023) and on December 31, 2022 (which were due on January 31, 2023); and

(v) make an annual bulk cash payment in respect of Surplus Cash Flow in the amount of \$400,000 on January 31, 2023 (originally due on July 31, 2022).

C. The Borrowers have also failed to comply with various other covenants set out in the Commitment Letter, as detailed in a forbearance agreement and amendment to commitment letter dated December 29, 2022 between the Borrowers, the Guarantors and the Bank (the “**First Forbearance and Amendment Agreement**”), which breaches are continuing as at the time of this Agreement (as so described and defined in the First Forbearance and Amendment Agreement and together with the Existing Breaches, the “**Disclosed Defaults**”);

D. Pursuant to the First Forbearance and Amendment Agreement, at the request of the Borrowers the Bank agreed to forbear from exercising its rights and remedies under Section 10 (*Acceleration*) of Schedule A to the Commitment Letter or otherwise under law with respect to the Disclosed Defaults for a period ending on January 31, 2023.

E. The Borrowers have requested that the Bank continue to forbear from exercising its rights and remedies under the Section 10 (*Acceleration*) of Schedule A to the Commitment Letter or otherwise under law with respect to the Disclosed Defaults.

F. The Bank is willing to extend such limited forbearance subject to and upon the terms and conditions set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. Interpretation

1.1. Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

1.2. The following defined terms shall for all purposes of this Agreement, or any amendment, substitute, supplement, replacement, addition or schedule hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

- (a) “**Forbearance Default**” means the occurrence or existence of any or all of the following:
 - (i) the failure by any of the Borrowers to comply with any covenant or obligation set forth in this Agreement;
 - (ii) the failure of the Borrowers to pay the Forbearance Fee (as defined below);
 - (iii) the Bank becoming aware that any material representation or warranty made, or any material information provided, by any Borrower or Guarantor to the Bank was false, incorrect or incomplete in any material respect as of the date so made or provided; and
 - (iv) the occurrence or existence of any breach or default or Event of Default under the Commitment Letter, other than the Disclosed Defaults; and
- (b) “**Extended Forbearance Period**” shall mean the period beginning on the expiry of the original Forbearance Period as set out (and defined) in the First Forbearance and Amendment Agreement on January 31, 2023 and ending on the earlier of (x) March 31, 2023 and (y) the occurrence of a Forbearance Default.

1.3. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, references herein to "Sections" are to Sections of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto.

1.4. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

2. Acknowledgements

2.1. Each of the Borrowers hereby acknowledges, confirms, represents, warrants and agrees:

- (a) that each of the recitals above are true and correct;
- (b) the Disclosed Defaults have occurred and are continuing and, as a result of the Disclosed Defaults, the Bank is and will be entitled to exercise its rights and remedies pursuant to the Commitment Letter, including, without limitation, the right to declare all Credits immediately due and to enforce the General Security;
- (c) except as set out herein, the Bank has no commitment or other obligation to extend further credit to any of the Borrowers or to forbear from exercising their respective rights and remedies under the Commitment Letter and the General Security and the Bank has reserved all of their respective rights to take such steps as it deems advisable, including, without limitation and in its sole and absolute discretion, to demand payment of the Credits and thereafter, enforce any and all remedies available to it, at law and in equity;
- (d) that upon the execution of this Agreement, each of them will absolutely and irrevocably release the Bank, its officers, directors, employees, solicitors and agents (the "**Releasees**") of and from any and all claims which each of them may have in respect of those Releasees up to and including the date of this Agreement including any actions taken by the Bank in dealing with the Borrowers and Guarantors, the Credits or with the administration of the Borrowers' accounts with the Bank, other than any claims arising from the gross negligence or wilful misconduct of any of the Releasees; and
- (e) time is and continues to be of the essence in performance of the obligations set out in the Commitment Letter.

3. Forbearance

3.1. Subject to the terms and conditions of this Agreement:

- (a) the Bank hereby agrees to forbear from exercising its acceleration right pursuant to Section 10 (*Acceleration*) of Schedule A to the Commitment Letter and from enforcing its rights and remedies under the General Security, in each case with respect to the Disclosed Defaults, during the Extended Forbearance Period;
- (b) notwithstanding anything to the contrary in this Agreement, (i) the agreement of the Bank under Section 3.1(a) is solely with respect to the Disclosed Defaults and the rights expressly foreborne in respect thereof, and shall not constitute a forbearance or waiver of any other rights or remedies of the Bank under the Commitment Letter or the General Security or with respect to any other breach, default or event of default (each, an "**Other Default**")

that may arise during or after the Extended Forbearance Period, and (ii) the Bank shall be entitled to exercise (x) all rights and remedies with respect to any Other Default during the Extended Forbearance Period and (y) all rights and remedies other than those expressly forbear pursuant to Section 3.1(a) with respect to the Disclosed Defaults during the Extended Forbearance Period;

- (c) notwithstanding anything to the contrary in this Agreement, the agreement of the Bank under Section 3.1(a) shall not constitute a forbearance or waiver of any other rights or remedies under the Commitment Letter or the General Security with respect to the Disclosed Defaults on and after the expiration of the Extended Forbearance Period and the Bank will be entitled to exercise all rights and remedies with respect to the Disclosed Defaults on and after the expiration of the Extended Forbearance Period; and
- (d) except as otherwise expressly provided for in this Agreement, the Bank expressly reserves any and all of their respective rights and remedies under the Commitment Letter or the General Security or at law or in equity.

4. Interest Rate and Availments

4.1. Notwithstanding the provisions of the Commitment Letter (but subject to the other terms and conditions of this Agreement), during the Extended Forbearance Period, or until such time as the advised by the Bank, and no Other Default, as applicable, has occurred or is continuing under the Credit Agreement or hereunder:

- (a) all rates of the interest set out in the Commitment Letter shall remain unchanged from what is set out in the Commitment Letter; provided that, for the avoidance of doubt, the Bank reserves the right to adjust at any time any such interest rates or fees payable under the Commitment Letter pursuant to the terms thereof, including Section 3 (*Interest Rate / Bankers Acceptance Spread*) of Schedule A to the Commitment Letter; and
- (b) other than advances of Credit Number 01 and Credit Number 02, which the Borrowers may avail during the Extended Forbearance Period, no Borrower shall make or request any advance, rollover, overdraft or other availment under the Commitment Letter and the Bank shall not be obliged to honour any request for an advance, rollover, overdraft or other available under the Commitment Letter.

4.2. In no event will this Agreement, including the arrangements and agreements made herein, or the Bank's honouring of any advance, rollover, overdraft or other availment under the Commitment Letter, be deemed a permanent forbearance or waiver of the Disclosed Defaults or any other non-compliance with the terms of the Commitment Letter that has or may hereafter occur.

5. Forbearance Fee

5.1. In consideration of the Bank entering into this Agreement, the Borrowers agree to pay to the Bank a forbearance fee in the amount of \$6,000 (the "**Forbearance Fee**"). The Forbearance Fee will be fully earned on the date on which it is paid. The Borrowers authorize the Bank to debit one of the accounts of the Borrowers held with the Bank in respect of, and in order to satisfy payment of, the Forbearance Fee.

6. Restatement of the Credit Agreement

Subject to the satisfaction of the conditions precedent set forth in Section 8 below, the Commitment Letter is hereby amended and restated in the form appended to this Agreement. The effectiveness of this

Agreement (and the execution of this Agreement by the parties hereto) effects the amendment and restatement of the Commitment Letter in such new form without any further action by any of the parties thereto or to the Commitment Letter, following which time the previous iteration of the Commitment Letter shall be of no further force and effect and shall be replaced entirely by such new form.

7. **Representations and Warranties of the Borrowers and Guarantors**

Each Borrower and Guarantor hereby represents and warrants as follows to the Bank and acknowledges and confirms that the Bank is relying upon such representations and warranties:

(a) ***Capacity, Power and Authority***

- (i) It is duly formed, amalgamated or incorporated, as the case may be, and is validly subsisting under the laws of its jurisdiction of formation, amalgamation or incorporation, as the case may be, and has all the requisite capacity, power and authority to carry on its business as presently conducted and to own its property.
- (ii) It has the requisite capacity, power and authority to execute and deliver this Agreement.

(b) ***Authorization; Enforceability***

It has taken or caused to be taken all necessary action to authorize, and has duly executed and delivered, this Agreement, and this Agreement is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, winding up, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights generally and to the equitable and statutory powers of the courts having jurisdiction with respect thereto.

(c) ***Compliance with Other Instruments***

The execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated herein do not conflict with, result in any breach or violation of, or constitute a default under the terms, conditions or provisions of its articles, by-laws or other constituting documents or any unanimous shareholder agreement relating to it, or of any law, regulation, judgment, decree or order binding on or applicable to it or to which its property is subject or of any material agreement, lease, licence, permit or other instrument to which it or any of its subsidiaries is a party or is otherwise bound or by which any of them benefits or to which any of their property is subject and, except as have been unconditionally obtained, are in full force and effect, unamended, and have been disclosed in writing to the Bank, do not require the consent or approval of any governmental authority or any other party.

(d) ***Commitment Letter Representations and Warranties***

Except as disclosed herein, each of the representations and warranties of the Borrowers and Guarantors set forth in the Commitment Letter is true and accurate in all respects as of the date hereof other than any such representations and warranties which expressly speak of an earlier date.

(e) ***No Default***

Except for the Disclosed Defaults, as at date upon which the conditions precedent set forth in Section 8 herein are satisfied, no default or event of default under the Commitment Letter has occurred or is continuing.

The representations and warranties set out in Sections 7 of this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigations or examinations which may be made by or on behalf of the Bank or the Bank's counsel. Such representations and warranties shall survive until the Commitment Letter has been terminated.

8. Conditions Precedent

The forbearance and other accommodations granted by the Bank under this Agreement and the restatement of the Commitment Letter set forth above shall be effective upon, and shall be subject to, the following conditions precedent:

- (a) the Bank shall have received a duly authorized, executed and delivered copy of this Agreement executed by the Borrowers and Guarantors and each other party hereto; and
- (b) payment to the Bank of the Forbearance Fee and all other fees and expenses of the Bank (including reasonable fees and expenses of counsel) in respect of this Agreement,

failing which, the forbearance and other accommodations set out herein and the restatement of the Commitment Letter set out above shall be of no force or effect.

The foregoing conditions precedent are inserted for the sole benefit of the Bank and may be waived in writing by the Bank, in whole or in part (with or without terms and conditions).

9. General Confirmation of the Commitment Letter

- (a) The Commitment Letter and all covenants, terms and provisions thereof, except as expressly modified by this Agreement, shall be and continue to be in full force and effect and the Commitment Letter as modified by this Agreement is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect as herein modified, with such modifications being effective from and as of the date hereof upon satisfaction of the conditions precedent set forth in Section 8 hereof.
- (b) Each of the undersigned hereby confirms and agrees that any Guarantee and any General Security to which it is party, as amended, modified or supplemented in connection with or pursuant to this Agreement, shall remain in full force and effect in all respects, notwithstanding the modification of the Commitment Letter pursuant to this Agreement, and shall continue to exist and apply to, and secure all of the Credits under, pursuant or relating to the Commitment Letter as restated by this Agreement. This Section 9 is in addition to and shall not limit, derogate from or otherwise affect any provisions of any Guarantee or any General Security.

10. Further Assurances

The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are reasonably required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

11. Indemnity

The Borrowers agree to fully indemnify the Bank for all costs including, without limiting the generality of the foregoing, all actual present and future legal and Bank fees and disbursements incurred by the Bank in respect of or in any way related to the Borrowers and Guarantors including, without limitation, the Bank's legal fees in connection with the preparation and enforcement of this Agreement.

12. Enurement

This Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

13. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Such executed counterparts may be delivered by facsimile or other electronic transmission and, when so delivered, shall constitute a binding agreement of the parties hereto.

[Signature Pages to Follow]

THE BORROWERS:

BIFANO CONSOLIDATED INC.

By: 

Name:

Title:

By:

Name:

Title:

NATA FARMS INC.

By: 

Name:

Title:

By:

Name:

Title:

SPALLUMCHEEN FARMS LTD.

By: 

Name:

Title:

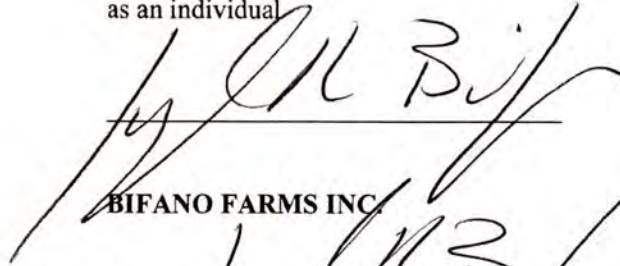
By:

Name:

Title:

THE GUARANTORS:

JOSEPH BIFANO,
as an individual



BIFANO FARMS INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SSC VENTURES (NO. 92) LTD.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

SSC VENTURES (NO. 105) LTD.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Bank and the Borrowers and Guarantors have executed this Agreement as of the first date written above.

THE BANK:

THE BANK OF NOVA SCOTIA

By: Amanda McCardell
Name Amanda McCardell
Title CRM

By: _____
Name
Title

**Appendix to Second Forbearance Agreement
Restatement of the Commitment Letter**

[See following pages.]

The Bank of Nova Scotia
Commercial and Agricultural Banking
#100, 2777 Gladwin Road
ABBOTSFORD, British Columbia
V2T 4V1



February 13, 2023

Bifano Consolidated Inc.
Nata Farms Inc.
Spallumcheen Farms Ltd.
5385 Back Enderby Road
Armstrong, BC
V0E 1B8

Dear Mr Bifano:

We confirm that, subject to acceptance by you, The Bank of Nova Scotia (the "**Bank**") will make available to Bifano Consolidated Inc. ("**Bifano**"), Nata Farms Inc. ("**Nata**") and Spallumcheen Farms Ltd. ("**Spallumcheen**") and, together with Bifano and Nata, each a "**Borrower**" and collectively the "**Borrowers**", on the terms and conditions set out in the attached Terms and Conditions Sheet and in Schedule "A", it being understood that the obligations of the Borrowers hereunder and under any loan documents referenced herein shall be joint and several.

This Commitment Letter constitutes a restatement of the existing commitment letter between the Bank and the Borrowers, which is hereby deemed amended and restated in its entirety.

The products and services offered to the Borrowers herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended.

The Borrowers agree that all security documents that you have previously delivered to the Bank will apply to the Credits, each of the Borrowers ratifies and confirms those documents and, in the case of any Guarantor, consents to changes to previously existing credit facilities.

BORROWERS AND GUARANTORS:

BIFANO CONSOLIDATED INC.

NATA FARMS INC.

SPALLUMCHEEN FARMS LTD.

GUARANTORS:

BIFANO FARMS INC.

SSC VENTURES (NO. 92) LTD.

SSC VENTURES (NO. 105) LTD.

JOSEPH BIFANO

TERMS AND CONDITIONS

CREDIT NUMBER: 01

AUTHORIZED AMOUNT: \$5,600,000

TYPE

Operating-Overdraft

PURPOSE

To assist with financing operating expenses of each of the Borrowers

CURRENCY

Canadian dollars.

AVAILMENT

Subject to the other terms and conditions of this Commitment Letter, each Borrower may avail some or all of the Credit by way of direct advances evidenced by an Overdraft Lending Agreement.

The aggregate principal amount that can be availed by all Borrowers is the Authorized Amount set out above, provided that on and after February 24, 2023, the Authorized Amount of the Credit will automatically (and without any further notice or requirement of the Bank) reduce from \$5,600,000 to \$5,000,000, upon which time the aggregate principal amount that can be availed by all of the Borrowers under the Credit shall be such lower amount.

INTEREST RATE/FEES

The Bank's prime lending rate from time to time, plus 2.0% per annum with interest payable monthly by each Borrower on the balance owed by that Borrower.

REPAYMENT

Advances are repayable on demand by the relevant Borrower.

Notwithstanding any other terms in this Commitment Letter, on February 24, 2023 any outstanding principal portion of the Credit that exceeds \$5,000,000 shall be immediately due and payable by the Borrowers.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

From each Borrower availing the credit an Overdraft Lending Agreement.

CREDIT NUMBER: 02

AUTHORIZED AMOUNT: \$750,000

TYPE

Scotiabank VISA Business Card (the "SVBC").

PURPOSE

To assist in financing the day-to-day expenses of each of the Borrowers.

CURRENCY

Canadian dollars.

TERMS AND CONDITIONS

As set out in the Cardholder Agreement between each of the Borrowers and the Bank. For the avoidance of doubt, the Bank may demand repayment by the Borrowers of the outstanding amount of the SVBC at any time.

For greater certainty, the aggregate principal amount that can be availed by all Borrowers is the Authorized Amount set out above.

CREDIT NUMBER: 03 AUTHORIZED AMOUNT: \$38,500,000

TYPE

Revolving Term, convertible to a Non-Revolving Term facility, subject to Term-Out triggers (refer AVAILMENT section below)

PURPOSE

To assist with the purchase of eligible assets including dairy quota, equipment, breeding stock and/or other assets including farmlands on an ongoing basis.

CURRENCY

Canadian dollars.

AVAILMENT

Revolving Advances

The Borrower may avail the undrawn portion of the Credit by way of direct advances and is subject to a minimum availment amount of \$250,000.

Borrower Requested Term-Out (Non-Revolving Advance)

At maturity, except for the initial advance, the Borrower may elect to convert the aggregate advances under the Credit to a non-revolving term facility provided total aggregate Revolving Advances are greater than or equal to \$500,000.

The non-revolving term facility will be a carve-out of the Credit. The Borrower may avail the facility by way of an advance evidenced by Term Promissory Note and/or Banker's Acceptances in Canadian dollars (in multiples of \$100,000 and having terms of maturity of 90 days without grace).

Conversion of an advance to a non-revolving facility is permitted at any time prior to maturity if an individual revolving or lease advance is greater than or equal \$500,000. Advance cannot exceed Credit's Authorized Amount and/or the Available limit.

Bank Required Term-Out (Non-Revolving Advance)

Annually, at the Bank's discretion, aggregate outstanding Revolving Advances may be required to come under repayment and be set-up as non-revolving carve-outs under the Credit. The Borrower may avail the facility by way of an advance evidenced by Term Promissory Note and/or Banker's Acceptances in Canadian dollars (in multiples of \$100,000 and having terms of maturity of 90 days without grace).

INTEREST RATE

Revolving Advances

The Bank's prime lending rate from time to time plus 0% with interest payable monthly.

Non-Revolving Advances

Floating: The Bank's Prime Lending Rate from time to time, plus 0% per annum with interest payable monthly.

Fixed: The Borrower has the option to fix the interest rate at the time of term-out, subject to availability. Rates will be quoted upon request.

Bankers' Acceptance Fee: A bankers' acceptance fee of 1.10% per annum, subject to a minimum fee of \$500 per avilment, payable at the time of each avilment.

MATURITY DATE

Revolving and Non-Revolving Advances

April 30, 2023

FEES

Revolving Advances

A Drawdown Fee of \$200 is payable by the Borrower at each advance.

Non-Revolving Advances

A Drawdown Fee is not applicable if term-out is to amalgamate existing Revolving Term Advances (either Borrower Requested or Bank Required).

A Drawdown Fee of \$200 is payable by the Borrower when the advance is not a conversion of existing Revolving Advances and the requested advance meets the Borrower Requested minimum Availment amount.

REPAYMENT

Revolving Advances

The Credit will revolve, and the principal may be drawn, repaid and redrawn at any time until April 30, 2023 (the "**Maturity Date**") when, unless the Credit is extended or converted to a non-revolving term as outlined below, the Credit will be cancelled and all revolving amounts outstanding or accrued will be payable.

The Credit is subject to annual review and may be extended for successive periods of up to 364 days or 1 year at that time.

Non-Revolving Advances

Non-Revolving term-outs are repayable in equal monthly payments of principal plus interest or blended principal and interest commencing 30 days after drawdown and the balance of principal and accrued interest outstanding due in full on the last month of the term. The maximum term is 1 year and the maximum amortization will be determined using a weighted average amortization of all assets financed under the non-revolving facility.

Existing Advances

Draw #1: The advance of the Credit (\$32,787,383) is repayable in blended monthly instalments of principal and interest (\$231,200), with a final payment of the balance of principal and accrued interest due at the Maturity Date of December 20, 2023. The original term of such advance is 1 year, and the remaining amortization period is 22 years, 11 months. New fixed pricing is available at maturity as applicable.

Draw #2: The advance of the Credit (\$1,309,299.30) is repayable in equal monthly instalments of principal (\$6,615) plus interest, with a final payment of the balance of principal and accrued interest due at the Maturity Date of April 30, 2023. The original term of such advance is 1 year, and the remaining amortization period is 16 years 6 months.

Subsequent Advances

Non-Revolving term-outs are repayable in equal monthly, quarterly, semi-annual, annual payment(s) of principal plus interest commencing 30 days from the date of such advance with a final payment of the balance of principal and accrued interest due at the Maturity Date. The maximum term is 5 years, and the maximum amortization period will be determined using a weighted average amortization period of all assets financed under the non-revolving facility per the following schedule:

Nature of asset financed	Maximum Amortization period
New and used power equipment	10 years
New and used other equipment	7 years
New and used trucks	7 years
Dairy Cattle	7 years
Land/Building Improvement	25 years
Quota	15 years
Share Buyout (one-time occurrence)	7 years

CASH SWEEP

In addition to scheduled instalments of principal, an annual bulk cash payment equal to 75% of Surplus Cash Flow is to be applied as a permanent reduction in the Credit as follows:

Up to a maximum amount of \$400,000 for the 2021 fiscal year, payable by no later than February 28, 2023.

In each fiscal year of the Borrowers following the 2021 fiscal year, up to a maximum amount of \$1,500,000, payable by no later than 365 days after each such fiscal year end of Bifano.

"Surplus Cash Flow" is defined as an amount equal to EBITDA for such period less the following amounts with respect to such period (i) cash interest expense; (ii) amounts paid in cash in respect of taxes (iii) scheduled payments of principal on Debt for the applicable period (including all capital lease payments to the extent not otherwise deducted in determining EBITDA); (iv) optional prepayments of the Revolving Credit Loans to the extent accompanied by a permanent reduction in the Revolving Commitments; (v) payments of dividends, withdrawals, bonuses, repayment of related party loans, advances to shareholders, management or affiliates by the Borrower to the extent that such amount is less than \$800,000 with respect to such period, (vi) and extraordinary, non-recurring or unusual losses in cash to the extent added back to net income in determining EBITDA, plus extraordinary, non-recurring or unusual gains in cash to the extent deducted from net income in determining EBITDA. Surplus Cash Flow is to be calculated annually based upon the Borrowers' year-end financial statements prepared under review engagement.

PREPAYMENT

Direct Advances

Prepayment is permitted without penalty at any time in whole or in part.

Prepayments are to be applied against instalments of principal in the inverse order of their maturities.

Banker's Acceptances

No prepayments are permitted during the term of any banker's acceptance.

Fixed Rate Advances

Prepayment, in whole or in part, is permitted at any time. In addition to any other amount then payable by the Borrowers pursuant to the terms hereof (including, without limitation, accrued interest) in respect of the amount being prepaid (the "**Prepayment Amount**"), the Borrowers shall pay to the Bank an amount equal to the greater of:

- three months simple interest on the Prepayment Amount at the rate applicable to the relevant advance being prepaid, and

- the Bank's funding loss, where "funding loss" means, in respect of the advance being prepaid, any loss, cost or expense which may be incurred by the Bank by reason of the reemployment of the funds acquired by the Bank to fund such advance for the period commencing on, and including, the date on which the Prepayment Amount is paid to the Bank to, but excluding, the scheduled repayment date of the relevant advance.

SPECIFIC CONDITIONS

The following conditions are to be met to the satisfaction of the Bank prior to any advances or availments being made under this Credit:

Land Advances

Receipt by the Bank of a copy of the appraisal in respect of the real property being purchased, completed by an AACI certified appraiser, evidencing a minimum appraised value acceptable to the Bank.

Receipt by the Bank of a copy of the duly executed purchase and sale agreement.

Advances for real estate are not to exceed the lower of 100% of the estimated market value, or (ii) the purchase price of the asset being financed, exclusive of the applicable taxes.

Receipt of an up-to-date Environmental Risk Checklist Questionnaires over the properties to be pledged to the bank to confirm no outstanding environmental issues, satisfactory to the Bank.

Improvement/Construction Advances

Advances will be made upon receipt of invoices, satisfactory to the Bank.

Advances for improvement and construction costs are not to exceed 100% of the purchase price of the asset being financed.

Advances will be made upon receipt by the Bank of title searches, ensuring continued ranking of the Bank's security interests.

Advances will be made upon receipt by the Bank of an up-to-date real estate title opinion, ensuring continued priority ranking of the Bank's security interests in all real estate pledged to the Bank.

The Bank is not obligated to make loan advances if there is any construction lien registered against the property or if written notice of a construction lien is received by the Bank. The Bank will supply such information to lien claimants as may be required under the applicable lien legislation.

The Borrowers will take all steps necessary to comply with applicable builder's lien legislation and provide the Bank with evidence of such compliance as requested from time to time; and establish with the Bank a holdback account in respect of each contract under which a lien may arise.

As a condition precedent to each such advance, the Borrowers will give notice to the Bank of the holdback then required in respect of each such contract; and direct the Bank to deposit such holdbacks (from the proceeds of the requested advance) into the Borrowers' respective holdback accounts (and for greater certainty, this depositing of funds does not constitute a holdback by the Bank).

Quota Advances

Confirmation that all security is duly executed and registered as required.

Advances for dairy quota are not to exceed 100% of the purchase price of the asset being financed.

Receipt by the Bank of a copy of the invoice/ bill of sale evidencing a quota purchase price that is less than the amount of any such advance.

Receipt by the Bank of a copy of a confirmation letter from the British Columbia Milk Marketing Board in relation to the additional milk quota being purchased/ financed.

Equipment Advances

Advances are to be funded upon receipt of purchase and sale agreements and/or invoices for purchases.

Advances are not to exceed 100% of the purchase price of the asset being financed, exclusive of the applicable taxes.

The value of any used equipment purchased for \$250,000 or more is to be substantiated by a written appraisal conducted by an appraiser acceptable to the Bank.

Livestock Advances

Advances are to be funded upon receipt of purchase and sale agreements and/or invoices for purchases. Advances are not to exceed 100% of the purchase price of the asset being financed, exclusive of the applicable taxes.

Share Buyout

Receipt of duly executed share purchase agreements with respect to the purchase of 850 Class "B" Non-Voting Common Shares and 20 Class "A" Voting Common Shares (the "Share Purchase") by Joseph Bifano from Katherine Joan Heal as deemed acceptable by the Bank Receipt of a revised Organization Chart effecting for the Share Purchase on a pro-forma basis as deemed acceptable by the Bank.

SPECIFIC SECURITY

The following security, to be held as General Security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or avallment being made under the Credit(s):

Term Loan (Equipment)

Fixtures Notice/Notice of Security Interest registered on title to the land to which any personal property financed by the Bank may become affixed, except where the land is mortgaged to the Bank.

Term Loan (Farmlands, Building and/or Land Improvements)

Collateral Mortgage in the amount of the draw down providing a first fixed charge with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee over farm properties acquire (insurance not applicable to bare lands).

Fixtures Notice/Notice of Security Interest registered on title to the land to which any personal property financed by the Bank may become affixed, except where the land is mortgaged to the Bank.

GENERAL SECURITY, TERMS, AND CONDITIONS APPLICABLE TO ALL CREDITS

GENERAL SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or avilment being made under the Credits. For greater certainty, the following security shall secure all of the Borrowers and/or Guarantors (any one a "Pledger", as applicable) present and future debts and other obligations to the Bank of any kind whatsoever, whether described in this Commitment Letter or any other agreement between a Pledger and the Bank:

General Security Agreement providing a first charge over all of the present and future personal property and undertakings of each of the Borrowers being Bifano and Nata and Spallumcheen, with any other insurance coverage the Bank may reasonably require, loss if any, payable to the Bank.

General Security Agreement providing a first charge over all of the present and future personal property and undertakings of each of the Guarantors, Bifano Farms Inc and SSC Ventures (No. 92) Ltd with any other insurance coverage the Bank may reasonably require, loss if any, payable to the Bank.

Security under Section 427 of the Bank Act with appropriate insurance coverage, loss, if any, payable to the Bank, from each of the Borrowers, Bifano and Nata and Spallumcheen.

Collateral mortgage and assignments of rents in an unlimited amount providing a first fixed charge over the real property located at 5385 Back Enderby Road, Armstrong, British Columbia (PID: 030-083-893), with replacement cost fire insurance coverage, if any, payable to the Bank as mortgagee, granted by Bifano.

Collateral mortgage and assignments of rents in an unlimited amount providing a first fixed charge over the real property located at 5591 Stepney Road, Armstrong, British Columbia (PIDs: 011-498-986, 011-367-784, 011-367-750, 011-291-761, 011-255-188, 013-795-848 and 014-003-449), with replacement cost fire insurance coverage, if any, payable to the Bank as mortgagee, granted by Spallumcheen.

Guarantees given by the following (with corporate seals and resolutions as applicable) in the amounts shown:

<u>GUARANTOR'S NAME</u>	<u>HELD IN SUPPORT OF</u>	<u>AMOUNT</u>
Nata Farms Inc.*	Bifano Consolidated Inc.	Unlimited
Spallumcheen Farms Ltd.*	Bifano Consolidated Inc.	Unlimited
Bifano Consolidated Inc.*	Nata Farms Inc.	Unlimited
Spallumcheen Farms Ltd.*	Nata Farms Inc.	Unlimited
Nata Farms Inc.*	Spallumcheen Farms Ltd.	Unlimited
Bifano Consolidated Inc.*	Spallumcheen Farms Ltd.	Unlimited
Bifano Farms Inc.*	All Borrowers	Unlimited
SSC Ventures (No. 92) Ltd.*	All Borrowers	Unlimited
SCC Ventures (No. 105) Ltd.#	All Borrowers	Limited
Mr. Joseph Bifano	All Borrowers	\$10,000,000

*Guarantees are Secured by:

All collateral pledged by the Borrower or the Guarantor to the bank

#Guarantee is Limited and Secured by:

Corporate guarantee of SSC Ventures (No. 105) Ltd is limited to the milk quota held on behalf of the beneficial owner, Bifano Farms Inc., in support of the obligations of the Borrowers signed by SSC Ventures (No. 105) Ltd and is secured by:

An assignment of the sale proceeds of all milk quota of SSC Ventures (No. 105) Ltd. held on behalf of the beneficial owner, Bifano Farms Inc., providing a first charge over such milk quota, acknowledged by the British Columbia Milk Marketing Board.

Assignment of the British Columbia Milk Marketing Board monthly milk cheque to SSC Ventures (No. 105) Ltd. held on behalf of the beneficial owner, Bifano Farms Inc., acknowledged by British Columbia Milk Marketing Board.

Beneficial change agreement and nominee direction in respect of the milk quota held by SSC Ventures (No. 105) Ltd., as nominee, on behalf of Bifano Farms Inc., as beneficial owner.

Should a significant change to the quota system occur, the Borrowers agree to accelerate repayment of the Credits to the Bank, if specified by the Bank, in order to maintain adequate security and/or cash flow coverage, regardless of continued production levels.

Unspecified Postponement Agreement from each of SSC Ventures (No. 92) Ltd., Friesland Farms Ltd., Joseph Bifano, Anne Honeyman, James Honeyman, and each preferred shareholder (Nata and Bifano Farms Inc, Spallumcheen).

Bankers' acceptance agreement with power of attorney from each of Bifano and Nata and Spallumcheen.

GENERAL CONDITIONS

In this Commitment Letter, "**Corporate Guarantors**" means Bifano Farms Inc., SSC Ventures (No. 92) Ltd. and SSC Ventures (No. 105) Ltd., "**Personal Guarantor**" means Joseph Bifano, and "**Guarantors**" means any or all of them.

Until all debts and liabilities under the Credits have been discharged in full, the following conditions will apply in respect of the Credits:

In the following provisions:

Any determination or calculation made on a "**Combined**" basis relates to Bifano, Nata and Spallumcheen, on a combined, consolidated basis.

Operating loan advances, temporary overruns (if any) and the outstanding principal amount of the SVBC are not to exceed at any time the lesser of (x) the aggregate amount of their respective authorized limits and (y) the Borrowing Base, which is defined as 75% of good quality accounts receivable (excluding accounts over 90 days, accounts due by employees, offsets and inter-company accounts), plus 75% of inventory, less security interests or charges held by other parties and specific payables which have or may have priority over the Bank's security.

"EBITDA" means net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization expenses during the period.

"Tangible Net Worth" means the sum of share capital, earned and contributed surplus, book value of real estate and quota in excess of \$24,861,000, and postponed funds, less (i) amounts due from officers and/or affiliates, (ii) investments in affiliates, and (iii) intangible assets (as determined by the Bank).

The ratio of combined Debt (including future taxes) to Tangible Net Worth (TNW) is not to exceed 2.50:1 at any time until July 31, 2023, then 2.00:1 thereafter, calculated on a rolling 4-quarter basis as at April 30, July 31, October 31 and January 31 quarter end.

The combined ratio of EBITDA plus net withdrawal/contributions of shareholders to the sum of cash interest expense (including without duplication the interest component of capital lease expense) and the aggregate of all principal payments on Debt (but excluding any amount repaid by the Borrowers to the Bank's cash sweep condition during such period) and indebtedness for borrowed money that is satisfactorily subordinated to the interests of the Bank, calculated on a rolling 4-quarter basis as at April 30, July 31, October 31 and January 31 quarter end, is to be maintained at a minimum of 1.10:1.

Equity Cure

The Borrowers may, at any time within 30 days after delivery of any financial reporting required under this Commitment Letter for any applicable period which reporting evidences a failure to comply with either of the two financial covenants set out above, issue additional equity interests or incur subordinated indebtedness and apply the proceeds of such equity injection to the Combined EBITDA, to the Combined Tangible Net Worth or in reduction of Combined liabilities for the purposes of curing any such failure to comply with either financial covenant, in all cases provided that (i) any cash proceeds received by the Borrowers from such equity injection are applied in repayment of advances under the Credits, (ii) the issuance of equity interests in connection with such equity injection shall not result in a change in control of the Borrowers or Corporate Guarantors, and (iii) to the extent applicable, all of the amounts provided to the Borrowers in connection with such equity injection (and each of the parties providing such amounts) shall be subject to satisfactory assignment and postponement terms in favour of the Bank. The Borrowers may not undertake equity cures in consecutive periods or more than three equity cures over the life of this Commitment Letter.

Without the Bank's prior written consent:

No dividends, withdrawals, bonuses, repayment of related party loans or advances to shareholders, management or affiliates to exceed \$200,000 per annum.

No redemption of preferred shares is permitted by the Borrowers or Corporate Guarantors nor are they permitted to be pledged in support of obligations to a creditor that is not the Bank.

No mergers, acquisitions or change in the line of business of any Borrower or any Corporate Guarantor are permitted.

Shall not create, issue, incur, assume or permit to exist any security interests on any of their respective property, undertakings or assets which are or are purported to be subject to security interests under this Commitment Letter, other than

encumbrances permitted to secure indebtedness permitted within this agreement, or liens otherwise incurred from time to time in the ordinary course of business.

Shall not create, incur, assume or permit to exist any indebtedness except for the Credit Facilities, any amounts authorized under this Commitment Letter, amounts under capital and operating leases not to exceed \$8,500,000 (equal to \$7,935,315 as at January 31, 2022), amounts under other secured obligations not to exceed \$1,000,000, or liabilities and obligations incurred from time to time in the ordinary course of business.

No change in the principal owners or management of the farming operation of the Borrowers or Corporate Guarantors is permitted.

No portion of a Borrower's or Corporate Guarantor's quota may be sold. If the Bank consents to sale, the proceeds shall be applied in reduction of the liabilities of the Borrowers and the Guarantors to the Bank.

No real property of the Borrowers or Corporate Guarantors mortgaged to the Bank may be merged with any other real property nor can titles to such real property be consolidated in any other way or transferred to any other party.

The monthly milk cheque of the Borrowers and Corporate Guarantors (as applicable) is to be direct deposited in a Scotiabank account.

The Borrowers and Corporate Guarantors shall permit the Bank, or its agents, access, at any time, to all premises where the collateral covered by the Bank's security may be located and the Bank or its agents may inspect such collateral and all related documents and records.

The Borrowers shall, as soon as reasonably practicable, promptly notify the Bank of any event, circumstance or condition that has had or is reasonably likely to have a material adverse effect.

For ongoing credit risk management purposes, all operating accounts of the Borrowers shall be maintained with the Bank as long as any Borrower has any operating line facilities with the Bank.

If there is any change from the accounting policies, practices and calculation methods used by any of the Borrowers or Corporate Guarantors in preparing any part of its financial statements for the fiscal year most recently completed before the date of this Commitment Letter, the Borrowers shall provide the Bank with all information that the Bank requires to ensure that reporting provided to the Bank after any changes are comparable to previous reporting. In addition, all calculations made for the purposes of this Commitment Letter shall continue to be made based on the accounting policies, practices and calculation methods in effect as at the date of the financial statements for the most recently completed fiscal year of the Borrowers. In the event of a change in the accounting policies, practices and calculation methods, the Bank retains the right (a) to act on any default under the financial covenants or any other terms and conditions as defined in this Commitment Letter that is disclosed by applying the previous accounting policies, practices and calculation methods and (b) at its discretion and acting reasonably, to amend/reset covenants that are affected by the change. Additional terms and conditions in Schedule A are to apply.

GENERAL BORROWER REPORTING CONDITIONS

Until all debts and liabilities under the Credits have been discharged in full, the Borrowers will provide the Bank with the following on a specific basis:

By no later than January 13, 2023 the Borrowers shall have delivered to the Bank:

Consolidated internal financial statements of the Borrowers and a Borrowing Base Certificate, with aged listings of accounts receivables, accounts payables and details of all inventories, in all cases satisfactory to the Bank, for the period ending November 30, 2022.

Satisfactory details with respect to the \$680,000 due in goods and services taxes and all other government remittances of the Borrowers.

The most recent milk cheque for each of Nata and Bifano Farms Inc.

Satisfactory confirmation of the total amount of dairy quota held in British Columbia by the Borrowers and Guarantors.

By no later than January 16, 2023 the Borrowers shall have delivered to the Bank a plan outlining how they will remediate the accuracy and timeliness of their financial reporting, in a manner satisfactory to the Bank.

By no later than February 15, 2023 the Borrowers shall:

Engage an external consultant acceptable to the Bank to provide ongoing advice and oversight in respect of the Borrowers' financial condition and reporting, including advice regarding the sustainability of their existing leverage arrangements and possible deleveraging or divestment strategies, and deliver to the Bank a signed engagement letter between the Borrowers and such consultant.

Deliver to the Bank banking statements issued by Bank of Montreal in respect of the deposit account maintained with it by Nata in respect of the period November 1, 2022 to January 31, 2023.

Deliver to the Bank internally prepared financial statements of the Borrowers for the period ending on January 31, 2023, including income statements, balance sheets and aged listings of accounts receivables, accounts payables and details of all inventory.

Deliver to the Bank an internally prepared weekly cash flow forecast demonstrating the Borrowers' cash on balance sheet, immediately available liquidity and projected available liquidity for the next four weeks.

Deliver to the Bank a copy of corporate income tax returns (Form T2) and notices of corporate assessment issued by the Canada Revenue Agency in respect of the Borrowers for their annual fiscal year ending July 31, 2022 together with confirmation that all payments relating thereto or required thereunder have been made by the Borrowers to the Canada Revenue Agency.

Deliver to the Bank a listing of all amounts due or pending as at such time by the Borrowers to any governmental agencies, authorities or departments, including all corporate taxes, goods and services taxes, payroll remittances and other charges, customs, levies, dues and payables.

Deliver to the Bank confirmation or other evidence satisfactory to the Bank that the Canada Revenue Agency is not as at such time demanding or calling for payment of any outstanding tax payments or balances then due or in arrears.

By no later than February 28, 2023 the Borrowers shall deliver to the Bank:

A detailed breakdown and profitability assessment of all of the Borrowers' trucking, dairy and cropping operations, in form and substance satisfactory to the Bank.

Evidence satisfactory to the Bank that all deposit or other accounts maintained by any Borrower with Bank of Montreal have been terminated and closed.

Additionally, until all debts and liabilities under the Credits have been discharged in full, the Borrowers will provide the Bank with the following on a periodic basis as set out below:

Annual consolidated review engagement financial statements of the Borrowers, prepared in accordance with generally accepted accounting principles ("GAAP") applicable at the date of the financial statements, within 120 days of the Borrowers' fiscal year end.

Annual unconsolidated compilation engagement financial statements of Bifano, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of Bifano's fiscal year end.

Annual unconsolidated compilation engagement financial statements of Nata, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of Nata's fiscal year end.

Annual unconsolidated compilation engagement financial statements of Spallumcheen, prepared in accordance with the GAAP applicable at the date of the financial statements, within 120 days of Spallumcheen's fiscal year end.

Monthly consolidated internal financial statements of the Borrowers, within 30 days of period end, commencing with the month ending December 31, 2022.

Monthly Borrowing Base Certificate with aged listings of accounts receivables, accounts payables and details of all inventory, within 30 days of period end, commencing with the month ending December 31, 2022.

Weekly cash flow forecasts demonstrating the Borrowers' cash on balance sheet, immediately available liquidity and projected available liquidity for the next 13 weeks immediately following the date of such forecast, in form and substance satisfactory to the Bank, on the Tuesday of each calendar week starting on Tuesday, February 28, 2023.

A copy of the milk production statements of each of Nata and Bifano Farms Inc., within 120 days of the Borrowers' fiscal year (together with the annual financial statements of the Borrowers) or upon request of the Bank.

A summary of the personal finances of the Personal Guarantor, upon request of the Bank.

A copy of a renewal certificate in respect of the Borrowers' insurance, with the Bank listed as loss payee, annually.

FEES

A renewal fee of \$2,500 is payable by the Borrowers, annually.

In addition to, and not in substitution for the obligations of the Borrowers and the rights of the Bank upon the occurrence of an event of default herein, the Borrowers shall pay to the Bank administration fees of:

\$500 per occurrence (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrowers are late in providing the Bank with financial or other information required herein.

\$1,500 per occurrence (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrowers are in default of any other term or condition contained in this Commitment Letter or in any other agreement to which any Borrowers and the Bank are parties.

The imposition or collection of fees does not constitute an express or implied waiver by the Bank of any event of default or any of the terms or conditions of the lending arrangements, security or rights arising from any default. Fees may be charged to any of the Borrowers' deposit accounts when incurred.

SCHEDULE A

**ADDITIONAL TERMS AND CONDITIONS APPLICABLE
TO ALL CREDITS**

In this Schedule A, any reference to a "Borrower" or the "Borrower" shall be a reference to all of the Borrowers (including Spallumcheen, following its acquisition by Bifano) or to a specific Borrower, as the case may be and as applicable depending on the context of such reference.

In the event of a conflict, the terms and conditions of any lease agreement and/or conditional sale contract supersede the terms and conditions in this Schedule A with regard to such leases and/or conditional sale contracts.

1. **Calculation and Payment of Interest**

Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a calendar year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

2. **Interest on Overdue Interest**

Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

3. **Interest Rate / Bankers Acceptance Spread**

The interest rate spread is subject to change at the Bank's absolute discretion at any time and from time to time on thirty (30) days' prior written notice to the Borrowers from the Bank, provided that, if an event of default has occurred, the interest rate spread is subject to change at the Bank's absolute discretion at any time and from time to time on prior written notice to the Borrowers from the Bank.

4. **Indemnity Provision**

If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrowers of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any avallment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any avallment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any avallment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrowers shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrowers becoming liable for such Increased Costs, the Borrowers shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrowers, including, without limitation, a letter of credit, a letter of guarantee or a

bankers' acceptance. Upon any such prepayment, the Borrowers shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

5. Calculation and Payment of Bankers' Acceptance Fee

The fee for the acceptance of each bankers' acceptance will be payable on the face amount of each bankers' acceptance at the time of acceptance of each draft calculated on the basis of a calendar year for the actual number of days elapsed from and including the date of acceptance to the due date of the draft.

6. Environment

Each of the Borrowers agrees:

to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrowers;

to allow the Bank access at all times to the business premises of the Borrowers to monitor and inspect all property and business activities of the Borrowers;

to notify the Bank from time to time of any business activity conducted by the Borrowers which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrowers in any material manner;

to notify the Bank of any proposed change in the use or occupation of the property of the Borrowers prior to any change occurring;

to provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrowers and with any other environmental information requested by the Bank from time to time.

to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrowers fail to do so, the Bank may perform such activities; and

to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrowers that may be performed for or by the Bank from time to time.

If any Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections 6(d), (e), or (f) above, or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrowers has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrowers of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrowers' compliance with applicable environmental or other regulations, the Borrowers shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrowers under the Commitment Letter.

7. Initial Drawdown

The right of the Borrowers to obtain the initial drawdown under the Credits is subject to the condition precedent that there shall not have been any material adverse changes in the financial condition or the environmental condition of the Borrowers or any Guarantor of the Borrower.

8. Periodic Review

The obligation of the Bank to make further advances or other accommodation available under any Credits of the Borrowers under which the indebtedness or liability of the Borrowers is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition of the Borrowers or any Guarantor.

9. Evidence of Indebtedness

The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under this Credit, repayments on account thereof and the indebtedness of the Borrowers to the Bank.

10. Acceleration

All indebtedness and liability of the Borrowers to the Bank payable on demand, is repayable by the Borrowers to the Bank at any time on demand;

All indebtedness and liability of the Borrowers to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following events of default occurs:

the Borrowers or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;

there is a breach by the Borrowers or any Guarantor of any other term or condition contained in the Commitment Letter or in any other agreement to which the Borrowers and/or any Guarantor and the Bank are parties;

any default occurs under any security listed in the Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrowers and/or any Guarantor is a party;

any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrowers or any Guarantor and, if instituted against the Borrowers or any Guarantor, are allowed against or consented to by the Borrowers or any Guarantor or are not dismissed or stayed within 60 days after such institution;

a receiver is appointed over any property of the Borrowers or any Guarantor or any judgement or order or any process of any court becomes enforceable against the Borrowers or any Guarantor or any property of the Borrowers or any Guarantor or any creditor takes possession of any property of the Borrowers or any Guarantor;

any course of action is undertaken by the Borrowers or any Guarantor or with respect to the Borrowers or any Guarantor which would result in the Borrowers or Guarantors

reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrowers or any Guarantors assets;

any guarantee of indebtedness and liability under the Credits is withdrawn, determined to be invalid or otherwise rendered ineffective;

any adverse change occurs in the financial condition of the Borrowers or any Guarantor; and

any adverse change occurs in the environmental condition of:

the Borrowers or any Guarantor of the Borrowers; or

any property, equipment, or business activities of the Borrowers or any Guarantor of the Borrowers.

11. Costs

All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation, shall be for the account of the Borrowers and may be charged to the Borrower's deposit account when submitted.

12. Acceptance of electronic copies of collateral documents

The Commitment Letter and any security and other documents relating to the Credits established in it may be executed in counterparts and by different parties in different counterparts, all of which when taken together will constitute a single contract. Subject to applicable conditions precedent, a document will become effective when it has been executed by the Bank (if execution by the Bank is contemplated by the document) and the Bank has received counterparts of the document that, when taken together, bear the signatures of each of the other relevant parties. Delivery of an executed counterpart of a document or a signature page to the document by telecopy or by sending a scanned or other copy by electronic mail or similar means shall be as effective as delivery of an originally executed counterpart, but the Bank may from time to time require delivery of originally executed documents. The Bank may create and store copies of documents in any form as part of its business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose. In administering the Credits established in the Commitment Letter and in otherwise dealing with the Borrowers and any Guarantor, the Bank may rely and act on e-mail, telecopier and other electronic communications that it reasonably believes have been sent by or on behalf of the Borrowers or any Guarantor, but the Bank may from time to time require that communications from the Borrowers or any Guarantor be in a nonelectronic form specified by the Bank.

13. Representation or Warranty

The Borrowers and each Guarantor represents and warrants to the Bank that all financial and other information (including, without limitation, any financial forecasts) provided to the Bank in connection with the Credits provided pursuant to the Commitment Letter is true and accurate in all material respects and has been prepared in accordance with GAAP consistently applied, and acknowledges that the offer of credit contained in the Commitment Letter is made in reliance on the truth and accuracy of this information and the representation and warranties above.

14. Discontinuance of Benchmark Rate

Notwithstanding anything to the contrary in this Commitment Letter or any other loan or security document between the Bank and the Borrower, following a Discontinuation Event the Bank may

amend the relevant documentation to replace the Benchmark Rate with a Replacement Rate for the next following Interest Period by providing the Borrower with notice thereof, following which the Borrower shall (a) if the relevant credit is an operating facility, have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit plus any accrued interest on the amount prepaid at the end of the then current Interest Period, or (b) if the relevant credit is a term facility or revolving term facility, have the right to prepay the credit in full at the end of the then current Interest Period in accordance with the terms of prepayment set out in the Commitment Letter, including any prepayment fees or penalties.

Definitions Related to Discontinuance of Benchmark Rate

"Authority" shall mean an administrative body that regulates and/or publishes the relevant Benchmark Rate, including any applicable governmental or regulatory body that has the direct or indirect ability to determine whether or not a Benchmark Rate shall be generally used in the market and/or published.

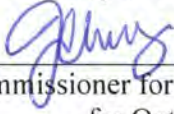
"Benchmark Rate" shall mean any interest rate, fee or charge in a Loan Document that is based on or equivalent to a standard regularly published rate and includes, for greater certainty, LIBOR.

"Discontinuation Event" means (i) an announcement by or on behalf of an Authority that the relevant Benchmark Rate will no longer be used or published, (ii) the relevant Benchmark Rate is not published for five consecutive Business Days and such failure is not reasonably believed to be temporary in nature, or (iii) the Authority has invoked its insufficient submissions policy (for LIBOR) or any policy of similar effect (for any other Benchmark Rates).

"Interest Period" means, for any credit referencing a Benchmark Rate, the period commencing on the applicable date of drawdown or rollover of such credit and ending on the maturity date of such credit.

"Replacement Rate" means an alternate interest rate, fee, or charge, including any positive or negative spread adjustment or method for determining such spread adjustment selected by the Bank, acting reasonably, in each case giving due to consideration to any market convention for similar credit facilities; provided that the Replacement Rate (together with any applicable spread) shall not be less than zero for the purposes of any Loan Documents.

This is Exhibit “ **R** ” referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

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fasken.com

June 15, 2023
File No.: 240537.05745/15053

Kibben Jackson
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Facsimile +1 604 632 4786
kjackson@fasken.com

By Courier and Email

Bifano Consolidated Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Bifano Consolidated Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Guarantee of the Indebtedness of Nata Farms Inc. ("Nata") to The Bank of Nova Scotia (the "Bank")*

We are the solicitors for the Bank.

We are instructed by the Bank that pursuant to your guarantee dated March 16, 2020 (the "**Guarantee**"), you have guaranteed all obligations of Nata to the Bank, plus interest thereon.

By letter dated June 15, 2023, we made demand on Nata for payment of its indebtedness to the Bank, a copy of which we enclose.

In accordance with the instructions received from the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Guarantee, which presently amounts to the sum of \$5,564,689.25. Interest accrues on the amount demanded from June 15, 2023 at the Bank's prime lending rate plus 2% per annum. We are instructed that unless the amount demanded is received in our offices on or before the close of business on June 26, 2023, we are to commence legal proceedings against you to enforce recovery of the amount outstanding under the Guarantee together with interest and costs without further notice to you.

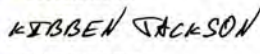
We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the amount demanded.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

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Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

NOTICE OF INTENTION TO ENFORCE A SECURITY

FORM 86
(Rule 124)

TO: **Bifano Consolidated Inc.**, an insolvent person

TAKE NOTICE THAT:

1. The Bank of Nova Scotia, a secured creditor, intends to enforce its security on the insolvent person's property described below:

- (a) all present and after acquired personal property of the insolvent person; and
- (b) those lands legally described as PID: 030-083-893, Lot 1 Sections 12, 13, 18 and 26 Township 18 and 35 Range 8 and 9 West of the 6th Meridian Kamloops Division Yale District Plan EPP68311.

2. The security that is to be enforced is the following:

- (a) General Security Agreement dated March 16, 2020;
- (b) Mortgage and Assignment of Rents dated March 30, 2020 and registered under Charge Numbers CA8113787 and CA8113788, respectively;
- (c) Security under Section 427 of the Bank Act (Canada), including the following documents:
 - (i) Notice of Intention dated March 16, 2020, and registered on March 31, 2020, under no. 01326731;
 - (ii) Promise to give Security, undated;
 - (iii) Security Agreement under Section 427 of the Bank Act dated March 16, 2020;
 - (iv) Agreement as to Loans and Advances and Security Therefor, dated March 30, 2020; and
- (d) Beneficial Charge Agreement and Nominee Direction regarding assignment of quota and proceeds.

3. The total amount of indebtedness secured by the security as at June 13, 2023 is the sum of \$39,513,943.90 with interest accruing thereafter in accordance with the terms of the Credit Facilities made by the secured creditor. Legal and other costs are also accruing in relation to the indebtedness.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 15th day of June, 2023.

The Bank of Nova Scotia by its legal counsel

Per:

DocuSigned by:

KIBBEN JACKSON

8697E68C96D8448

Kibben Jackson

Solicitor and agent of the Secured Creditor

Bifano Consolidated Inc. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by The Bank of Nova Scotia of all security above-noted.

Authorized Signatory

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

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+1 866 635 3131
F +1 604 631 3232
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June 15, 2023
File No.: 240537.05745/15053

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Facsimile +1 604 632 4786
kjackson@fasken.com

By Courier and Email

Nata Farms Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Nata Farms Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Guarantee of the Indebtedness of Bifano Consolidated Inc. ("Bifano") to The Bank of Nova Scotia (the "Bank")*

We are the solicitors for the Bank.

We are instructed by the Bank that pursuant to your guarantee dated March 16, 2020 (the "**Guarantee**"), you have guaranteed all obligations of Bifano to the Bank, plus interest thereon.

By letter dated June 15, 2023, we made demand on Bifano for payment of its indebtedness to the Bank, a copy of which we enclose.

In accordance with the instructions received from the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Guarantee, which presently amounts to the sum of \$33,949,254.65. Interest accrues on the amount demanded from June 15, 2023 at the Bank's prime lending rate plus 2% per annum. We are instructed that unless the amount demanded is received in our offices on or before the close of business on June 26, 2023, we are to commence legal proceedings against you to enforce recovery of the amount outstanding under the Guarantees together with interest and costs without further notice to you.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

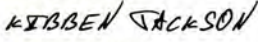
We also enclose herewith a Notice by Secured Creditor in accordance with section 21 of the *Farm Debt Mediation Act* (Canada).

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the amount demanded.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

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Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
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fasken.com

June 15, 2023
File No.: 240537.05745/15053

Kibben Jackson
Direct +1 604 631 4786
Facsimile +1 604 632 4786
kjackson@fasken.com

VIA EMAIL AND COURIER

Bifano Consolidated Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Bifano Consolidated Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Indebtedness to The Bank of Nova Scotia (the “Bank”)*

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the “**Credit Facilities**”) made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$33,949,254.65. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank’s legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$33,949,254.65, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the “**Indebtedness**”), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank’s intention

to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:



6C97E6BC95D0446

Kibben Jackson

Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

NOTICE OF INTENTION TO ENFORCE A SECURITY

FORM 86
(Rule 124)

TO: **Nata Farms Inc.**, an insolvent person

TAKE NOTICE THAT:

1. The Bank of Nova Scotia, a secured creditor, intends to enforce its security on the insolvent person's property described below:

(a) all present and after acquired personal property of the insolvent person.

2. The security that is to be enforced is the following:

(a) General Security Agreement dated March 16, 2020; and

(b) Security under Section 427 of the Bank Act (Canada), including the following documents:

(i) Notice of Intention dated March 16, 2020, and registered on March 31, 2020, under no. 01326732;

(ii) Promise to give Security, undated;

(iii) Security Agreement under Section 427 of the Bank Act dated March 16, 2020;

(iv) Agreement as to Loans and Advances and Security Therefor, dated March 30, 2020.

3. The total amount of indebtedness secured by the security as at June 13, 2023 is the sum of \$39,513,943.90 with interest accruing thereafter in accordance with the terms of the Credit Facilities made by the secured creditor. Legal and other costs are also accruing in relation to the indebtedness.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 15th day of June, 2023.

The Bank of Nova Scotia by its legal counsel
Per:

DocuSigned by:

KIBBEN JACKSON

6697E6B695B0448

Kibben Jackson

Solicitor and agent of the Secured Creditor

Nata Farms Inc. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by The Bank of Nova Scotia of all security above-noted.

Authorized Signatory

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
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June 15, 2023
File No.: 240537.05745/15053

Kibben Jackson
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Facsimile +1 604 632 4786
kjackson@fasken.com

By Courier and Email

Spallumcheen Farm Ltd.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Spallumcheen Farm Ltd.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Guarantee of the Indebtedness of Bifano Consolidated Inc. (“Bifano”) and Nata Farms Inc. (“Nata”) to The Bank of Nova Scotia (the “Bank”)*

We are the solicitors for the Bank.

We are instructed by the Bank that pursuant to your guarantee dated October 31, 2020 (the “**Guarantee**”), you have guaranteed all obligations of Bifano and Nata to the Bank, plus interest thereon.

By letters dated June 15, 2023, we made demand on each of Bifano and Nata for payment of their indebtedness to the Bank, copies of which we enclose.

In accordance with the instructions received from the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Guarantee, which presently amounts to the sum of \$39,513,943.90. Interest accrues on the amount demanded from June 14, 2023 at the Bank’s prime lending rate plus 2% per annum. We are instructed that unless the amount demanded is received in our offices on or before the close of business on June 26, 2023, we are to commence legal proceedings against you to enforce recovery of the amount outstanding under the Guarantee together with interest and costs without further notice to you.


We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank’s intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the amount demanded.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

6C97E6BC95D0446...

Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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June 15, 2023
File No.: 240537.05745/15053

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VIA EMAIL AND COURIER

Bifano Consolidated Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Bifano Consolidated Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Indebtedness to The Bank of Nova Scotia (the “Bank”)*

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the “**Credit Facilities**”) made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$33,949,254.65. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank’s legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$33,949,254.65, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the “**Indebtedness**”), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank’s intention

to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

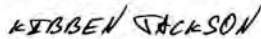
The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:



6C97E6BC95D0446

Kibben Jackson

Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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June 15, 2023
File No.: 240537.05745/15053

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kjackson@fasken.com

VIA EMAIL AND COURIER

Nata Farms Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Nata Farms Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: Indebtedness to The Bank of Nova Scotia (the “Bank”)

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the “**Credit Facilities**”) made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$5,564,689.25. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank’s legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$5,564,689.25, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the “**Indebtedness**”), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank’s intention

to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

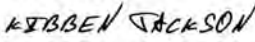
We also enclose herewith a Notice by Secured Creditor in accordance with section 21 of the *Farm Debt Mediation Act* (Canada).

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

6C97E6BC95D0446...

Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

NOTICE OF INTENTION TO ENFORCE A SECURITY

FORM 86
(Rule 124)

TO: **Spallumcheen Farm Ltd.**, an insolvent person

TAKE NOTICE THAT:

1. The Bank of Nova Scotia, a secured creditor, intends to enforce its security on the insolvent person's property described below:

- (a) all present and after acquired personal property of the insolvent person; and
- (b) those lands legally described as:
 - (i) PID: 014-003-449, The Fractional South West 1/4 Section 35 Township 35 Kamloops (Formerly Osoyoos) Division Yale District Except Plan A402;
 - (ii) PID: 011-498-986, District Lot 94 Osoyoos Division Yale District;
 - (iii) PID: 013-795-848, That Part of Section 13 which is bounded on the North by District Lot 148 Osoyoos Division Yale District on the East by District Lot 94 Osoyoos Division Yale District, on the South by District Lot 92 Osoyoos Division Yale District and on the West by the right bank of Fortune Creek as shown on Plan of said Township dated at Ottawa on the 10th day of January, 1902 including all the timber thereon Township 18 Range 9 West of the 6th Meridian Kamloops Division Yale District;
 - (iv) PID: 011-291-761, Lot 2 Section 26 Township 35 Kamloops (formerly Osoyoos) Division Yale District Plan 2011;
 - (v) PID: 011-255-188, Lot 3 Section 26 Township 35 Kamloops (formerly Osoyoos) Division Yale District Plan 2080;
 - (vi) PID: 011-367-750, Lot 6 District Lot 148 Kamloops Division Yale District Plan 1654; and
 - (vii) PID: 011-367-784, Lot 7 District Lot 148 Kamloops Division Yale District Plan 1654.

2. The security that is to be enforced is the following:

- (a) General Security Agreement dated October 31, 2020;
- (b) Mortgage and Assignment of Rents dated November 2, 2020, and registered under Charge Numbers CA8542605 and CA8542606, respectively; and
- (c) Security under Section 427 of the Bank Act (Canada), including the following documents:

- (i) Notice of Intention dated October 31, 2020, and registered on November 2, 2020, under no. 01328713;
- (ii) Promise to give Security, undated;
- (iii) Security Agreement under Section 427 of the Bank Act dated October 31, 2020;
- (iv) Agreement as to Loans and Advances and Security Therefor, dated October 31, 2020.

3. The total amount of indebtedness secured by the security as at June 13, 2023 is the sum of \$39,513,943.90 with interest accruing thereafter in accordance with the terms of the Credit Facilities made by the secured creditor. Legal and other costs are also accruing in relation to the indebtedness.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 15th day of June, 2023.

The Bank of Nova Scotia by its legal counsel

Per:

DocuSigned by:

KIBBEN JACKSON

6C97E8BC95D0446

Kibben Jackson

Solicitor and agent of the Secured Creditor

Spallumcheen Farm Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by The Bank of Nova Scotia of all security above-noted.

Authorized Signatory

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
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June 15, 2023
File No.: 240537.05745/15053

Kibben Jackson
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kjackson@fasken.com

By Courier and Email

Bifano Farms Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Bifano Farms Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Guarantee of the Indebtedness of Bifano Consolidated Inc. ("Bifano") and Nata Farms Inc. ("Nata") to The Bank of Nova Scotia (the "Bank")*

We are the solicitors for the Bank.

We are instructed by the Bank that pursuant to your guarantee dated March 16, 2020 (the "**Guarantee**"), you have guaranteed all obligations of Bifano and Nata to the Bank, plus interest thereon.

By letters dated June 15, 2023, we made demand on each of Bifano and Nata for payment of their indebtedness to the Bank, copies of which we enclose.

In accordance with the instructions received from the Bank, we hereby make formal demand on you for payment of the amount outstanding under the Guarantee, which presently amounts to the sum of \$39,513,943.90. Interest accrues on the amount demanded from June 14, 2023 at the Bank's prime lending rate plus 2% per annum. We are instructed that unless the amount demanded is received in our offices on or before the close of business on June 26, 2023, we are to commence legal proceedings against you to enforce recovery of the amount outstanding under the Guarantee together with interest and costs without further notice to you.

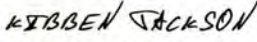
We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the amount demanded.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

6C97E6BC95D0446...

Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
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Vancouver, British Columbia V6C 0A3
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June 15, 2023
File No.: 240537.05745/15053

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VIA EMAIL AND COURIER

Bifano Consolidated Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Bifano Consolidated Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Indebtedness to The Bank of Nova Scotia (the "Bank")*

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the "**Credit Facilities**") made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$33,949,254.65. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank's legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$33,949,254.65, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the "**Indebtedness**"), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention

to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.


The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:



6C97E6BC95D0446...

Kibben Jackson

Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
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June 15, 2023
File No.: 240537.05745/15053

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kjackson@fasken.com

VIA EMAIL AND COURIER

Nata Farms Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Nata Farms Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Indebtedness to The Bank of Nova Scotia (the “Bank”)*

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the “**Credit Facilities**”) made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$5,564,689.25. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank’s legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$5,564,689.25, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the “**Indebtedness**”), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

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to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

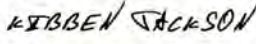
We also enclose herewith a Notice by Secured Creditor in accordance with section 21 of the *Farm Debt Mediation Act* (Canada).

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

6C97E6BC95D0446

Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

NOTICE OF INTENTION TO ENFORCE A SECURITY

FORM 86
(Rule 124)

TO: **Bifano Farms Inc.**, an insolvent person

TAKE NOTICE THAT:

1. The Bank of Nova Scotia, a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) all present and after acquired personal property of the insolvent person.
2. The security that is to be enforced is the following:
 - (a) General Security Agreement dated March 16, 2020; and
 - (b) Beneficial Charge and Direction dated March 24, 2020.
3. The total amount of indebtedness secured by the security as at June 13 is the sum of \$39,513,943.90 with interest accruing thereafter in accordance with the terms of the Credit Facilities made by the secured creditor. Legal and other costs are also accruing in relation to the indebtedness.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 15th day of June, 2023.

The Bank of Nova Scotia by its legal counsel
Per:

DocuSigned by:

KIBBEN JACKSON

8097E6B095D3445

Kibben Jackson

Solicitor and agent of the Secured Creditor

Bifano Farms Inc. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by The Bank of Nova Scotia of all security above-noted.

Authorized Signatory

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
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June 15, 2023
File No.: 240537.05745/15053

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Facsimile +1 604 632 4786
kjackson@fasken.com

By Courier and Email

SSC Ventures (No. 105) Ltd.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

SSC Ventures (No. 105) Ltd.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Guarantee of the Indebtedness of Bifano Consolidated Inc. ("Bifano") and Nata Farms Inc. ("Nata") to The Bank of Nova Scotia (the "Bank")*

We are the solicitors for the Bank.

We are instructed by the Bank that pursuant to your guarantee dated March 24, 2020 (the "**Guarantee**"), you have guaranteed all obligations of Bifano and Nata to the Bank.

By letters dated June 15, 2023, we made demand on each of Bifano and Nata for payment of their indebtedness to the Bank, copies of which we enclose.

We hereby advise that the Bank intends to realize upon your interest in the milk quota charged in favour of the Bank pursuant to the Guarantee. We are instructed that unless the amount demanded is received in our offices on or before the close of business on June 26, 2023, we are to commence legal proceedings against you to enforce its security against you.

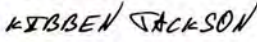
We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the amount demanded.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

6C97E6BC95D0446...

Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

T +1 604 631 3131
+1 866 635 3131
F +1 604 631 3232
fasken.com

June 15, 2023
File No.: 240537.05745/15053

Kibben Jackson
Direct +1 604 631 4786
Facsimile +1 604 632 4786
kjackson@fasken.com

VIA EMAIL AND COURIER

Bifano Consolidated Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Bifano Consolidated Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Indebtedness to The Bank of Nova Scotia (the “Bank”)*

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the “**Credit Facilities**”) made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$33,949,254.65. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank’s legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$33,949,254.65, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the “**Indebtedness**”), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank’s intention

to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:



8C97E6BC95D0446...

Kibben Jackson

Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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June 15, 2023
File No.: 240537.05745/15053

Kibben Jackson
Direct +1 604 631 4786
Facsimile +1 604 632 4786
kjackson@fasken.com

VIA EMAIL AND COURIER

Nata Farms Inc.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Nata Farms Inc.
Registered and Records Office
201 – 45793 Luckakuck Way
Chilliwack, BC V2R 5S3

Dear Sirs/Mesdames:

Re: *Indebtedness to The Bank of Nova Scotia (the "Bank")*

We are the solicitors for the Bank.

We are instructed by the Bank that, pursuant to Credit Facilities (the "**Credit Facilities**") made by the Bank to you pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023, as at June 13, 2023 you are indebted to the Bank in the amount of \$5,564,689.25. Interest continues to accrue on that amount from June 13, 2023 in accordance with the terms of the Credit Facilities.

The above amount is payable on demand and does not include the Bank's legal and other costs or PIK interest, for which you are also liable.

On the instructions of the Bank, we hereby make formal demand for payment of the above indebtedness, being the sum of \$5,564,689.25, plus interest thereon from and including June 13, 2023 to and including the date payment is received in our offices, plus all legal fees incurred by the Bank in respect of this matter (the "**Indebtedness**"), by certified cheque or bank draft. Please contact us before remitting payment to ascertain the amount of the legal and other fees outstanding and any fluctuations in the interest rate. Unless the Indebtedness is received in our offices on or before the close of business on June 26, 2023, we are instructed to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Bank at this date. If the true balance is different from the amount demanded, the Bank reserves all rights to any additional monies which you may owe to the Bank.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming the Bank's intention

to enforce its security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such consent, please endorse the enclosed Form 86 and return a copy of same to the writer.

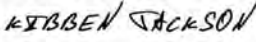
We also enclose herewith a Notice by Secured Creditor in accordance with section 21 of the *Farm Debt Mediation Act* (Canada).

The Bank specifically reserves its right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect its security during the demand period.

We trust you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Indebtedness.

Sincerely,

FASKEN MARTINEAU DuMOULIN LLP

DocuSigned by:

6C97E6BC95D0446

Kibben Jackson
Personal Law Corporation

KJ/sv

Encl.

cc: Client
Dentons Canada LLP, Attention: Jordan Schultz

NOTICE OF INTENTION TO ENFORCE A SECURITY

FORM 86
(Rule 124)

TO: **SSC Ventures (No. 105) Ltd.**, an insolvent person

TAKE NOTICE THAT:

1. The Bank of Nova Scotia, a secured creditor, intends to enforce its security on the insolvent person's property described below:

(a) Certain milk quota.

2. The security that is to be enforced is the following:

(a) Assignment of the sale proceeds of all milk quota, acknowledged by the British Columbia Milk Marketing Board ("**BCMMB**"); and

(b) Assignment of the BCMMB monthly milk cheque.

3. The total amount of indebtedness secured by the security as at June 13, 2023 is the sum of \$39,513,943.90 with interest accruing thereafter in accordance with the terms of the Credit Facilities made by the secured creditor. Legal and other costs are also accruing in relation to the indebtedness.

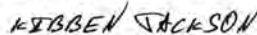
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 15th day of June, 2023.

The Bank of Nova Scotia by its legal counsel

Per:

DocuSigned by:



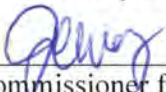
Kibben Jackson

Solicitor and agent of the Secured Creditor

SSC Ventures (No. 105) Ltd. hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by The Bank of Nova Scotia of all security above-noted.

Authorized Signatory

This is Exhibit " S " referred to in the
Affidavit of James Cook
sworn before me at Toronto
this 13th day of February, 2024



A Commissioner for taking Affidavits
for Ontario

Yun Ji Chung,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law. Expires April 6, 2025

FASKEN

Own tomorrow

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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Canada

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F +1 604 631 3232
fasken.com

June 22, 2023
File No.: 240537.05745/21106

Kibben Jackson
Direct +1 604 631 4786
kjackson@fasken.com

By Email

Bifano Consolidated Inc.
Nata Farms Inc.
Spallumcheen Farm Ltd.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Attention: Joseph Bifano

with a copy to:

Dentons Canada LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Bifano Farms Inc.
SSC Ventures (No. 92) Ltd.
SSC Ventures (No. 105) Ltd.
Joseph Bifano
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Attention: Joseph Bifano

with a copy to:

Dentons Canada LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Dear Sirs/Mesdames:

Re: Credit Facilities (the "Credit Facilities") made by The Bank of Nova Scotia (the "Bank") to Bifano Consolidated Inc. ("Bifano"), Nata Farms Inc. ("Nata") and Spallumcheen Farm Ltd. ("Spallumcheen" and together with Bifano and Nata, the "Borrower") pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023 (collectively, the "Commitment Letter")

We are the solicitors for the Bank in connection with the above noted Credit Facilities. We are advised by the Bank that certain defaults have occurred and are continuing under the Commitment Letter (all such existing defaults, including those detailed in the first forbearance agreement and amendment to commitment letter dated December 29, 2022, the second forbearance and amendment to commitment letter dated February 13, 2023, and our letter dated May 4, 2023 (the "**Continuance Letter**") are collectively referred to herein as the "**Existing Defaults**").

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The Borrower hereby acknowledges, confirms, represents, warrants and agrees that:

- (a) as of June 9, 2023 the outstanding balance of the Credit Facilities excluding legal and financial advisor costs and PIK Interest (as defined in the Continuance Letter) was \$39,573,735;
- (b) the Existing Defaults have occurred and are continuing and, as a result of the Existing Defaults, the Credit Facilities are currently due and owing and the Bank is and will continue to be entitled to exercise its rights and remedies pursuant to the Commitment Letter and security agreements granted by the Borrower in favour of the Bank;
- (c) it has received demand letters, a *Farm Debt Mediation Act* notice and Notices of Intention to Enforce Security (collectively, the “**NOITES**”), hereby waives the 10-day notice period provided for therein, and will immediately endorse the NOITES and return them to Fasken Martineau DuMoulin LLP, counsel for the Bank;
- (d) the Borrower’s overdraft facility will: (i) be fully advanced to its limit of \$5,000,000; (ii) credited to the Borrower’s current account with the Bank (the “**Current Account**”); and (iii) no longer be available to the Borrower;
- (e) no overdrafts shall be permitted on the Current Account, and the Lender will refuse and return any debits to the Current Account that would result in an overdraft;
- (f) at all times the Borrower must maintain minimum cash in its Current Account of no less than \$100,000;
- (g) the Borrower’s credit card facility has been terminated;
- (h) the appended 13-week cashflow forecast (the “**Cashflow Forecast**”) represents a true and reasonable representation of cash income and expenses projected during the 13-week period (the “**Forecast Period**”);
- (i) biweekly on Wednesday, the Borrower will deliver an updated 13-week cashflow forecast representing a true and reasonable representation of cash income and expenses projected during the ensuing 13-week period;
- (j) weekly on Wednesday, the Borrower will deliver an actual to forecast comparison showing any variances from the Cashflow Forecast for the prior week period;
- (k) at no time will the actual closing cash balance for any given week vary from the closing cash balance in the Cashflow Forecast for such week by more than 10%;
- (l) the Borrower shall at all times remain current in the payment of their obligations to *Canada Revenue Agency*, including in respect of the remittance of source deductions, and



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shall provide evidence of same to the Bank within three days after the payment of each payroll;

- (m) the Borrower shall facilitate and schedule weekly calls (the “**Weekly Calls**”) among the Bank, the Borrower, KPMG Corporate Finance (“**KPMG**”) and Alvarez & Marsal Canada Inc.;
- (n) unless the Borrower first pays out the Bank or secures an alternative solvency solution acceptable to the Bank, in its sole discretion, the following shall occur according to the following timeline:
 - (i) by no later than July 7, 2023 (the “**Filing Date**”), the Borrower shall initiate proposal proceedings under the *Bankruptcy and Insolvency Act* and file a Notice of Intention to File a Proposal by no later than July 7, 2023 (the “**Proposal Proceedings**”);
 - (ii) by no later than June 19, 2023, the Borrower shall have obtained lease deferrals until at least July 7, 2023 from all lessors of vehicles used in the Borrower’s trucking business (the “**Trucking Business**”);
 - (iii) from the date that this letter is acknowledged by the Borrower until June 30, 2023, the Borrower and KPMG will market and solicit interest in the Trucking Business to known potential buyers;
- (A) if by close of business on June 30, 2023, the Borrower, in consultation with KPMG, and with the consent of the Bank, which may be withheld at the Bank’s sole discretion,, determines there is not sufficient interest from the market to sell the Trucking Business, then:
 - (1) the Borrower shall take immediate steps to cease operating and liquidate the Trucking Business assets; and
 - (2) by no later than July 2, 2023, the Borrower shall deliver a wind-up and liquidation plan for the Trucking Business to the Bank, that is acceptable to the Bank in its sole discretion, provided any such wind-up and liquidation plan must be initiated by no later than July 10, 2023.
- (B) if by close of business on June 30, 2023, the Borrower, in consultation with KPMG, and with the consent of the Bank, which may be withheld at the Bank’s sole discretion, determines there is sufficient interest from the market to sell the Trucking Business, then the Borrower, in consultation with KPMG and the Bank, shall initiate a formal sale process that is acceptable to the Bank, in its sole discretion, and which includes timelines and target dates for:
 - (i) entering into and delivering to the Bank a binding letter of intent for the

FASKEN

purchase of the Trucking Business on terms acceptable to the Bank, in its sole discretion, by no later than July 23, 2023; (ii) entering into and delivering to the Bank an agreement for the purchase and sale of the Trucking Business on terms acceptable to the Bank, in its sole discretion, by no later than August 25, 2023; and (iii) closing the sale of the Trucking Business no later than September 17, 2023, provided that the timelines and target dates may be extended at the request of the Borrower in consultation with KPMG, and with the consent of the Bank, in its sole discretion.

- (iv) the Borrower and KPMG will market and solicit interest in the Borrower's farming business (the "**Farming Business**") to known potential buyers, and the Borrower, in consultation with KPMG, and with the consent of the Bank, acting reasonably, shall initiate a formal sale process that includes timelines and target dates for : (i) entering into and delivering to the Bank a binding letter of intent for the purchase of the Farming Business on terms acceptable to the Bank, in its sole discretion, by no later than July 23, 2023; (ii) entering into and delivering to the Bank an agreement for the purchase and sale of the Farming Business on terms acceptable to the Bank, in its sole discretion, by no later than August 25, 2023; and (iii) closing the sale of the Farming Business no later than September 17, 2023, provided that the timelines and target dates may be extended at the request of the Borrower in consultation with KPMG, and with the consent of the Bank, in its sole discretion..
- (o) in the event the Borrower files for protection under the *Companies' Creditors Arrangement Act*, it will not seek to stay the Bank from enforcing its rights, and in all circumstances, the Borrower will ensure that the Bank is treated as an unaffected creditor in such proceedings, including in any plan of compromise or arrangement filed therein;
- (p) in any restructuring proceeding initiated in respect of the Borrower, the Borrower: (i) shall cause its legal counsel to deliver to legal counsel for the Bank copies of all draft materials to be filed or circulated in or in relation to such proceeding, including any proposal or plan of arrangement or compromise, no less than five business days prior to the date on which such materials are to be filed or circulated; and (ii) will not file or circulate any materials in such proceeding, including any proposal or plan of compromise or arrangement, or take any steps in such proceedings that are not acceptable to the Bank in its sole and unfettered discretion; and
- (q) upon the execution of this letter, the Borrower and the guarantors absolutely and irrevocably release the Bank, its officers, directors, employees, solicitors and agents (the "**Releasees**") of and from any and all claims which it may have in respect of those Releasees up to and including the date of this letter including any actions taken by the Bank in dealing with the Borrower and guarantors and the Credit Facilities, other than any claims arising from the gross negligence or wilful misconduct of any of the Releasees; and

The Bank will permit the Borrower to defer its scheduled loan payments in respect of Loan 030200003475-04 in the amount of \$231,200 due on each of April 28, May 28 and June 28, 2023,



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provided all such loan payments, totalling \$693,600, will be paid by the Borrower to the Bank on the earlier of: (i) September 1, 2023; (ii) the completion of the sale of the Farming Business; and (iii) the occurrence of a default by the Borrower in respect of any of the terms or conditions under this letter.

The Bank will continue to monitor the default situation very carefully and will decide in its sole discretion on a day-by-day basis whether or not to exercise any further of its rights and remedies. We remind you, however, that nothing in this letter or in any ongoing discussions or negotiations between the Bank, on the one hand, and the Borrower or any guarantor, on the other hand, nor any delay on the part of the Bank in exercising any of its rights and remedies under the Commitment Letter, the security documents and/or under applicable law, shall directly or indirectly: (i) create any obligation to forbear from taking any enforcement action, or to make any further extensions of credit, (ii) constitute a consent to or waiver of any past, present or future default or other violation of any provisions of the Commitment Letter or any other security document, (iii) amend, modify or operate as a waiver of any provision of the Commitment Letter or any other security document or any right, power, privilege or remedy of the Bank or under applicable law or constitute an agreement to forbear or to restructure the Borrower's indebtedness in any respect, or (iv) constitute a course of dealing or other basis for altering any rights or obligations of the Bank under the Commitment Letter or any other security document or any obligations of the Borrower under the Commitment Letter, any other security document or any other contract or instrument. Nothing contained in this letter shall confer on the Borrower or any other person any right to notice or cure periods with respect to any default.

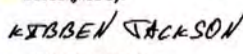
This letter confirms that the Bank has not waived the Existing Defaults and expressly reserves all of its rights, powers, privileges and remedies under the Commitment Letter, the security documents and/or applicable law, including, without limitation, its right at any time, as applicable, (i) to commence any legal or other action to collect any or all of the Borrower's indebtedness from the Borrower and/or any other person liable therefor, (ii) to foreclose or otherwise realize on any or all of the Borrower's assets, (iii) to take any other enforcement action or otherwise exercise any or all rights and remedies provided for by any or all of the Commitment Letter, any other security document or applicable law, and (iv) to reject any forbearance, financial restructuring or other proposal made by or on behalf of Borrower or any creditor or equity holder. The Bank may exercise its rights, powers, privileges and remedies, including those set forth in (i) through (iv) above, at any time in its sole and absolute discretion without further notice. No oral representations or course of dealing on the part of the Bank or any of its officers, employees or agents, and no failure or delay by the Bank with respect to the exercise of any right, power, privilege or remedy under any of the Commitment Letter, any other security document or applicable law shall operate as a waiver

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thereof, and the single or partial exercise of any such right, power, privilege or remedy shall not preclude any later exercise of any other right, power, privilege or remedy.

Yours truly,

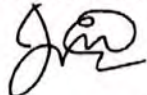
FASKEN MARTINEAU DuMOULIN LLP


DocuSigned by:

8C97E6BC95D0446
Kibben Jackson
Personal Law Corporation

KXJ

As Bank, we acknowledge and agree to the contents of this letter.

THE BANK OF NOVA SCOTIA

Per: 
Name: Jim Cook
Title: Senior Manager

Per: 
Name: Mike Drapeau
Title: Director and Head National Accounts

FASKEN

As Borrower, we acknowledge and agree to the contents of this letter.

BIFANO CONSOLIDATED INC.

By: 

Name: Joseph Bifano
Title: Director

NATA FARMS INC.

By: 

Name: Joseph Bifano
Title: Director

SPALLUMCHEEN FARMS LTD.

By: 

Name: Joseph Bifano
Title: Director

As Guarantor, we acknowledge and agree to the contents to this letter.

BIFANO FARMS INC.

By: 

Name: Joseph Bifano
Title: Director

SSC VENTURES (NO. 92) LTD.

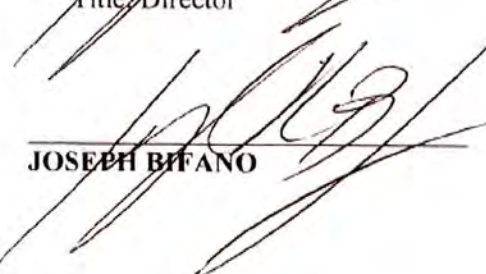
By: 

Name: Caroline Bifano
Title: Director

SSC VENTURES (NO. 105) LTD.

By: 

Name: Joseph Bifano
Title: Director


JOSEPH BIFANO

FASKEN

Appendix – Cashflow Forecast

Pre	Post
-----	------

STCFF pre and post filing																	
\$'000		Pre-filing				Post-filing									Pre-filing	Post-filing	Pre + Post
	week ending >	Jun 11	Jun 18	Jun 25	Jul 02	Jul 09	Jul 16	Jul 23	Jul 30	Aug 06	Aug 13	Aug 20	Aug 27	Sep 03	Total	Total	Total
Sales receipts	Notes																
Milk Receipts		-	-	310	-	308	-	290	-	308	-	308	-	290	310	1,504	1,814
Sawdust, Custom work and other		91	77	43	254	18	18	122	604	63	18	53	213	18	465	1,127	1,592
Trucking receipts pre filing		627	425	209	650	-	-	-	-	-	-	-	-	-	1,911	-	1,911
Collection of trucking receipts post filing	1	-	-	-	-	-	-	-	-	-	55	119	83	1	-	258	258
Total receipts		717	502	562	904	326	18	412	604	371	73	480	296	309	2,685	2,889	5,574
Operating payments and professional fees																	
Farm expenses		(63)	(48)	(165)	(78)	(163)	(14)	(58)	(79)	(163)	(14)	(14)	(50)	(228)	(353)	(780)	(1,133)
Fuel	6	(200)	-	(35)	(265)	(81)	-	-	-	(81)	-	-	-	(81)	(500)	(242)	(742)
Trucking		(64)	-	(45)	(47)	-	-	-	-	-	-	-	-	-	(156)	-	(156)
Payroll	5	(173)	(91)	(98)	(218)	(216)	(19)	(31)	(38)	(10)	(27)	(19)	(67)	(2)	(580)	(429)	(1,009)
Insurance and utilities		(30)	-	(14)	(3)	(26)	(20)	(14)	(3)	(10)	(20)	(14)	(3)	(3)	(46)	(112)	(158)
Total operating payments		(530)	(139)	(356)	(611)	(485)	(52)	(102)	(121)	(263)	(60)	(46)	(119)	(314)	(1,636)	(1,562)	(3,198)
Sales process fees	3	-	-	(98)	-	-	-	(94)	-	-	-	-	-	-	(98)	(94)	(192)
Restructuring fees		(39)	(110)	(144)	(30)	(38)	(88)	(53)	(53)	(53)	(53)	(83)	(58)	(58)	(323)	(533)	(856)
Professional fees		(39)	(110)	(242)	(30)	(38)	(88)	(146)	(53)	(53)	(53)	(83)	(58)	(58)	(421)	(626)	(1,048)
Total operating payments and professional fees		(569)	(249)	(598)	(641)	(523)	(140)	(248)	(173)	(315)	(113)	(129)	(177)	(372)	(2,057)	(2,189)	(4,246)
Operating cashflows		149	253	(36)	263	(197)	(122)	164	431	56	(40)	351	119	(62)	628	700	1,328
Debt servicing and lease payments																	
Debt servicing and bank charges			(26)	(14)	(269)	-	-	(14)	(269)	-	-	-	(14)	(269)	(309)	(566)	(875)
Leases		(26)	-	(378)	-	(118)	-	(29)	-	(118)	-	(26)	(3)	(118)	(404)	(412)	(817)
Total debt servicing and lease payments		(26)	(26)	(392)	(269)	(118)	-	(43)	(269)	(118)	-	(26)	(17)	(387)	(713)	(978)	(1,691)
Deferrals and deferral repayment																	
Other non-recurring items	8		529	-	231	-	-	-	-	-	-	-	-	(694)	760	(694)	67
Deferrals and repayments of deferrals	7	(260)	(119)	(35)	-	-	-	-	-	-	-	-	-	-	(413)	-	(413)
Lease deferrals (incl. accelerated deferrals)		26	-	375	-	-	-	-	-	-	-	-	-	-	401	-	401
Total deferrals and deferral repayments		(233)	410	340	231	-	-	-	-	-	-	-	-	(694)	748	(694)	55
Opening cash (\$5MM operating line termed out)		(164)	(275)	363	275	499	184	62	184	345	283	243	568	671	(164)	499	(164)
Cash inflow (outflow)		(111)	637	(88)	225	(315)	(122)	121	162	(62)	(40)	325	102	(1,143)	663	(972)	(309)
Closing cash		(275)	363	275	499	184	62	184	345	283	243	568	671	(473)	499	(473)	(473)

Notes

- 1 Trucking receipts post filing have been assumed at 25% and 5 weeks beyond standard collection
- 2 Farm costs include: feed, vet, dairy supplies, sawdust, misc. G&A, and quota rental payments
- 3 Additional sales process fees outside the scope of the STCFF presented period can be found on slide 5
- 4 Post filing cash flows have been presented as all trucking activities and related cash flows will cease on the filing date with the exception of outstanding trucking AR and outstanding employee payroll
- 5 Trucking employee's wages accrued until July 5th are assumed to be paid and related cheques cashed within the week issued
- 6 Fuel and grain vendors have been identified as critical supplier and have been forecast as COD + 15% above standard cost
- 7 Deferred payments include: overdue restructuring fees, feed payments, fuel payments, payroll remittance as well as misc. farming and trucking supplies
- 8 Other non-recurring items include net debt deferrals, credit card deferrals and proceeds from the sale of Quota p
- 9 Pre and post filing cash flows are based on the W11 STCFF provided by the company

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

FASKEN

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+1 866 635 3131
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fasken.com

June 30, 2023

File No.: 240537.05745/21106

By Email

Bifano Consolidated Inc.
Nata Farms Inc.
Spallumcheen Farm Ltd.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Attention: Joseph Bifano

with a copy to:

Dentons Canada LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Dear Sirs/Mesdames:

Re: Credit Facilities (the "Credit Facilities") made by The Bank of Nova Scotia (the "Bank") to Bifano Consolidated Inc. ("Bifano"), Nata Farms Inc. ("Nata") and Spallumcheen Farm Ltd. ("Spallumcheen" and together with Bifano and Nata, the "Borrower") pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023 (collectively, the "Commitment Letter")

We write further to our letter dated June 22, 2023 (the "**Continuance Letter**") and our recent exchange of correspondence regarding same in the context of a potential financing transaction recently identified by the Borrower.

By this letter we hereby confirm that each of the relevant dates referenced in the Continuance Letter is extended by one week in order to facilitate the Borrower's efforts to secure financing on terms acceptable to the Bank, in its sole discretion.

Kibben Jackson
Direct +1 604 631 4786
kjackson@fasken.com

Bifano Farms Inc.
SSC Ventures (No. 92) Ltd.
SSC Ventures (No. 105) Ltd.
Joseph Bifano
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Attention: Joseph Bifano

with a copy to:

Dentons Canada LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

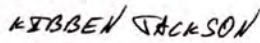
Attention: Jordan Schultz

FASKEN

We confirm that except as amended hereby, the Continuance Letter remains in full force and effect, and the Bank continues to reserve all of its rights, powers, privileges and remedies under the Commitment Letter, the security documents and/or applicable law as more fully set out in the Continuance Letter.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

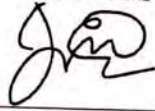
DocuSigned by:

8C97E8BC95D0448...
Kibben Jackson
Personal Law Corporation

KXJ

As Bank, we acknowledge and agree to the contents of this letter.

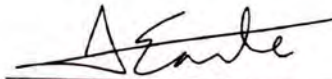
THE BANK OF NOVA SCOTIA

Per:



Name: Jim Cook
Title: Senior Manager

Per:



Name: Jeremy Earle
Title: Associate Director

FASKEN

As Borrower, we acknowledge and agree to the contents of this letter.

BIFANO CONSOLIDATED INC.

By: 

Name: Joseph R. Bifano
Title: Director

NATA FARMS INC.

By: 

Name: Joseph R. Bifano
Title: Director

SPALLUMCHEEN FARMS LTD.

By: 

Name: Joseph R. Bifano
Title: Director

As Guarantor, we acknowledge and agree to the contents to this letter.

BIFANO FARMS INC.

By: 

Name: Joseph R. Bifano
Title: Director

SSC VENTURES (NO. 92) LTD.

By: 

Name: Carol Bifano
Title: pres.

SSC VENTURES (NO. 105) LTD.

By: 

Name: Joseph R. Bifano
Title: Director


JOSEPH BIFANO

FASKEN

Own tomorrow

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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fasken.com

July 14, 2023
File No.: 240537.05745/21106

Kibben Jackson
Direct +1 604 631 4786
kjackson@fasken.com

By Email

Bifano Consolidated Inc.
Nata Farms Inc.
Spallumcheen Farm Ltd.
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Attention: Joseph Bifano

with a copy to:

Dentons Canada LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Bifano Farms Inc.
SSC Ventures (No. 92) Ltd.
SSC Ventures (No. 105) Ltd.
Joseph Bifano
5385 Back Enderby Road
Armstrong, BC V0E 1B8

Attention: Joseph Bifano

with a copy to:

Dentons Canada LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Dear Sirs/Mesdames:

Re: Credit Facilities (the "Credit Facilities") made by The Bank of Nova Scotia (the "Bank") to Bifano Consolidated Inc. ("Bifano"), Nata Farms Inc. ("Nata") and Spallumcheen Farm Ltd. ("Spallumcheen" and together with Bifano and Nata, the "Borrower") pursuant to a commitment letter dated April 29, 2022, as amended by letters dated December 29, 2022 and February 13, 2023 (collectively, the "Commitment Letter")

We write further to our letter dated June 22, 2023 as amended by our letter dated June 30, 2023 (as amended, the "**Continuance Letter**") and our recent exchange of correspondence regarding the Borrower's ongoing efforts to secure financing and a sale of its trucking business.

By this letter we hereby confirm that each of the relevant dates referenced in the Continuance Letter is further extended by an additional week in order to facilitate the Borrower's efforts to secure financing on terms acceptable to the Bank, in its sole discretion.

FASKEN

We confirm that except as amended hereby, the Continuance Letter remains in full force and effect, and the Bank continues to reserve all of its rights, powers, privileges and remedies under the Commitment Letter, the security documents and/or applicable law as more fully set out in the Continuance Letter.

Yours truly,


FASKEN MARTINEAU DuMOULIN LLP

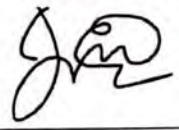
Kibben Jackson
Personal Law Corporation

KXJ

As Bank, we acknowledge and agree to the contents of this letter.

THE BANK OF NOVA SCOTIA

Per: 
Name: Jeremy Earle
Title: Associate Director

Per: 
Name: James Cook
Title: Senior Manager

FASKEN

As Borrower, we acknowledge and agree to the contents of this letter.

BIFANO CONSOLIDATED INC.

By: _____

Name: Joseph B. Bifano
Title: Director

NATA FARMS INC.

By: _____

Name: Joseph B. Bifano
Title: Director

SPALLUMCHEEN FARMS LTD.

By: _____

Name: Joseph B. Bifano
Title: Director

As Guarantor, we acknowledge and agree to the contents to this letter.

BIFANO FARMS INC.

By: _____

Name: Joseph B. Bifano
Title: Director

SSC VENTURES (NO. 92) LTD.

By: _____

Name: Carol Bifano
Title:

SSC VENTURES (NO. 105) LTD.

By: _____

Name: Joseph B. Bifano
Title: Director

JOSEPH BIFANO