

This is Exhibit "A" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

A handwritten signature in blue ink, appearing to read "J. Reid", is written over a horizontal line.

Commissioner for Taking Affidavits

Small handwritten initials in blue ink, possibly "JK", located in the bottom right corner of the page.



**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
THE VERY GOOD FOOD COMPANY INC.

Date and Time of Search: January 11, 2023 12:33 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1101780

Name of Company: THE VERY GOOD FOOD COMPANY INC.

Business Number: 735993321 BC0001

Recognition Date and Time: Incorporated on December 27, 2016 12:40 PM Pacific Time **In Liquidation:** No

Last Annual Report Filed: December 27, 2021 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
THE VERY GOOD BUTCHERS INC.	October 01, 2019

REGISTERED OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Rana, Parimal

Mailing Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Last Name, First Name, Middle Name:

Salem, Dela

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Last Name, First Name, Middle Name:

Steinbach, Justin

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT December 27, 2021.

JK



**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
1218158 B.C. LTD.

Date and Time of Search: January 11, 2023 12:37 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1218158

Name of Company: 1218158 B.C. LTD.

Business Number: 778199539 BC0001

Recognition Date and Time: Incorporated on July 31, 2019 11:24 AM Pacific Time

In Liquidation: No

Last Annual Report Filed: July 31, 2022

Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Salem, Dela

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT July 31, 2022.

NK



**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
1218169 B.C. LTD.

Date and Time of Search: January 11, 2023 12:36 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1218169

Name of Company: 1218169 B.C. LTD.

Business Number: 778191734 BC0001

Recognition Date and Time: Incorporated on July 31, 2019 11:46 AM Pacific Time

In Liquidation: No

Last Annual Report Filed: July 31, 2022

Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Salem, Dela

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT July 31, 2022.

AK



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
THE CULTURED NUT INC.

Date and Time of Search: January 11, 2023 12:41 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1105558

Name of Company: THE CULTURED NUT INC.

Business Number: 731744090 BC0001

Recognition Date and Time: Incorporated on January 30, 2017 02:47 PM Pacific Time **In Liquidation:** No

Last Annual Report Filed: January 30, 2022 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Salem, Dela

Mailing Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT January 30, 2022.



**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
THE VERY GOOD BUTCHERS INC.

Date and Time of Search: January 11, 2023 12:39 PM Pacific Time
Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1218151
Name of Company: THE VERY GOOD BUTCHERS INC.
Business Number: 778969071 BC0001
Recognition Date and Time: Incorporated on July 31, 2019 11:14 AM Pacific Time **In Liquidation:** No
Last Annual Report Filed: July 31, 2022 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
1218151 B.C. LTD.	October 01, 2019

REGISTERED OFFICE INFORMATION

Mailing Address:	Delivery Address:
800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA	800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:	Delivery Address:
800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA	800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Salem, Dela

Mailing Address:	Delivery Address:
2748 RUPERT STREET VANCOUVER BC V5M 3T7 CANADA	2748 RUPERT STREET VANCOUVER BC V5M 3T7 CANADA

NO OFFICER INFORMATION FILED AS AT July 31, 2022.





BC Company Summary For LLOYD-JAMES MARKETING GROUP INC.

Date and Time of Search: January 11, 2023 12:43 PM Pacific Time
Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1241039
Name of Company: LLOYD-JAMES MARKETING GROUP INC.
Business Number: 746244938 BC0001
Recognition Date and Time: Incorporated on February 17, 2020 10:39 AM Pacific Time
Last Annual Report Filed: February 17, 2022
In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA
Delivery Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA
Delivery Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name: Salem, Dela
Mailing Address: 2748 RUPERT STREET VANCOUVER BC V5M 3T7 CANADA
Delivery Address: 2748 RUPERT STREET VANCOUVER BC V5M 3T7 CANADA

NO OFFICER INFORMATION FILED AS AT February 17, 2022.

Handwritten initials

Department of State: Division of Corporations

[Allowable Characters](#)

HOME

Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

File Number: **3196606** Incorporation Date / Formation Date: **7/7/2020**
 (mm/dd/yyyy)

Entity Name: **VGFC HOLDINGS LLC**

Entity Kind: **Limited Liability Company** Entity Type: **General**

Residency: **Domestic** State: **DELAWARE**

REGISTERED AGENT INFORMATION

Name: **GKL REGISTERED AGENTS OF DE, INC.**

Address: **3500 S DUPONT HWY**

City: **DOVER** County: **Kent**

State: **DE** Postal Code: **19901**

Phone: **888-682-4368**

Additional Information is available for a fee. You can retrieve Status for a fee of \$10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of \$20.00.

Would you like Status Status, Tax & History Information

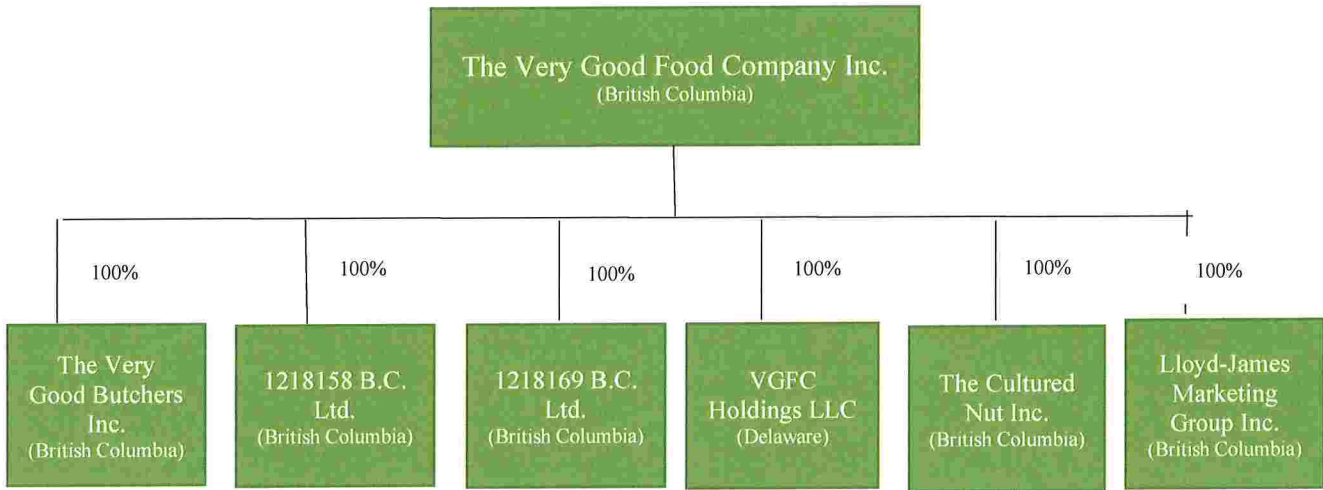
For help on a particular field click on the Field Tag to take you to the help area.

This is Exhibit "B" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

A handwritten signature in blue ink, appearing to read "Jessie", is written over a horizontal line.

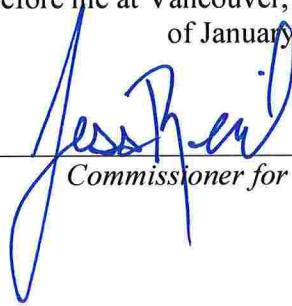
Commissioner for Taking Affidavits

A small, stylized handwritten mark in blue ink, possibly initials, is located in the bottom right corner of the page.



JK

This is Exhibit "C" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits





LOAN AGREEMENT

DATED AS OF JUNE 7, 2021

BETWEEN

**WAYGAR CAPITAL INC.,
AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.**

AS LENDER

AND

THE VERY GOOD FOOD COMPANY INC.

AS BORROWER

AND

THE GUARANTORS PARTY HERETO



TABLE OF CONTENTS

SECTION 1 – AMOUNT AND TERMS OF CREDIT	1
1.1 Loans	1
1.2 Term and Prepayment	2
1.3 Use of Proceeds	2
1.4 Obligations	2
1.5 Interest	2
1.6 Cash Management System	3
1.7 Fees	3
1.8 Receipt of Payments	3
1.9 Application and Allocation of Payments	4
1.10 Accounting	4
1.11 Indemnity	4
1.12 Borrowing Base	5
1.13 Increase in Maximum Amount in respect of the Revolving Credit Loan	5
SECTION 2 – CONDITIONS PRECEDENT	5
2.1 Conditions to the Initial Loans	5
2.2 Further Conditions to the Loans	6
2.3 Warrants	7
SECTION 3 – REPRESENTATIONS, WARRANTIES AND AFFIRMATIVE COVENANTS	7
3.1 Corporate Existence; Compliance with Law	7
3.2 Executive Offices; Corporate or Other Names	7
3.3 Corporate Power; Authorization; Enforceable Obligations	8
3.4 Financial Statements and Projections; Books and Records	8
3.5 Material Adverse Change	8
3.6 Real Estate; Property	8
3.7 Ventures, Subsidiaries and Affiliates; Outstanding Shares and Indebtedness	9
3.8 Government Regulations	9
3.9 Taxes; Charges	9
3.10 Payment of Obligations	9
3.11 Pension Plans	9
3.12 Litigation	11
3.13 Intellectual Property	11
3.14 Full Disclosure/Know Your Customer	11
3.15 Environmental Matters	11
3.16 Insurance	12
3.17 Bank Accounts	12
3.18 Accounts and Inventory	12
3.19 Conduct of Business	13
3.20 Material Contracts	13
3.21 Further Assurances	13
3.22 Default	13
3.23 Anti-Corruption; Anti-Money Laundering	13
SECTION 4 – FINANCIAL REPORTS, INFORMATION AND NOTICES	14
4.1 Reports and Information	14
4.2 Notices	15
SECTION 5 – FINANCIAL AND NEGATIVE COVENANTS	16
5.1 Financial Covenants	16
5.2 Negative Covenants	16
SECTION 6 – LENDER'S RIGHTS	19
6.1 Lender's Rights	19

SECTION 7 – EVENTS OF DEFAULT, RIGHTS AND REMEDIES	20
7.1 Events of Default	20
7.2 Remedies.....	22
7.3 Waivers by Credit Parties	23
7.4 Proceeds.....	23
SECTION 8 – MISCELLANEOUS	24
8.1 Complete Agreement; Modification of Agreement.....	24
8.2 Expenses	24
8.3 Non-North American Equipment.....	24
8.4 No Waiver	24
8.5 Severability; Section Titles	25
8.6 Authorized Signature	25
8.7 Notices	25
8.8 Counterparts	25
8.9 Assignments	26
8.10 Time of the Essence	26
8.11 Governing Law.....	26
8.12 Submission to Jurisdiction; Waiver of Jury Trial.....	26
8.13 Press Releases.....	27
8.14 Reinstatement.....	27
8.15 Illegality	27
8.16 Set Off and Survival.....	27
8.17 Increased Costs.....	27
8.18 Conflict.....	28
8.19 Interpretation.....	28
SECTION 9 – SPECIAL PROVISIONS	29
9.1 Interest Act (Canada).....	29
9.2 Excess Resulting from Exchange Rate Change	29
9.3 Judgment Currency	29

INDEX OF EXHIBITS AND SCHEDULES

Schedule A:	Definitions
Schedule B:	Lender's and Borrower's Addresses for Notices
Schedule C:	Cash Management System
Schedule D:	Fees
Schedule E:	Schedule of Documents
Schedule F:	Material Contracts
Disclosure Schedule (3.2):	Corporate Names
Disclosure Schedule (3.6):	Real Estate; Property
Disclosure Schedule (3.7):	Shares; Affiliates
Disclosure Schedule (3.9):	Taxes
Disclosure Schedule (3.11):	Pension Plans
Disclosure Schedule (3.12):	Litigation
Disclosure Schedule (3.13):	Intellectual Property
Disclosure Schedule (3.15):	Environmental Matters
Disclosure Schedule (3.16):	Insurance
Disclosure Schedule (5.2(b)):	Indebtedness
Disclosure Schedule (5.2(e)):	Liens
Exhibit A:	Form of Notice of Advance
Exhibit B:	Other Required Reports and Information
Exhibit C:	Form of Borrowing Base Certificate
Exhibit D:	Form of Compliance Certificate

THIS LOAN AGREEMENT is dated as of June 7, 2021 and agreed to by and between The Very Good Food Company Inc. ("**Borrower**"), each other Credit Party executing this Agreement, and Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Lender**").

RECITALS:

- A. Borrower desires to obtain the Loans and other financial accommodations from Lender and Lender is willing to provide the Loans and accommodations all in accordance with the terms of this Agreement;
- B. Capitalized terms used herein shall have the meanings assigned to them in Schedule A and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Schedule A shall govern; and
- C. All schedules, attachments, addenda and exhibits hereto, or expressly identified in this Agreement, are incorporated herein by reference, and taken together with this Agreement, constitute but a single agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration, the parties hereto agree as follows:

SECTION 1 – AMOUNT AND TERMS OF CREDIT

1.1 Loans

- (a) Subject to the terms and conditions of this Agreement, from the Closing Date and until the Commitment Termination Date: (i) Lender agrees to make available advances (each, a "**Revolving Credit Advance**") in \$ based upon the Canadian Dollar Interest Rate or US\$ based upon the US Dollar Interest Rate, in an aggregate outstanding amount not to exceed the Borrowing Availability for the Revolving Credit Loan; and (ii) Lender agrees to make available advances (each, a "**Term Loan Advance**") in \$ based upon the Canadian Dollar Interest Rate or US\$ based upon the US Dollar Interest Rate, in an aggregate outstanding amount not to exceed the Borrowing Availability for the Term Loan. Advances under the Revolving Credit Loan shall be capable of being repaid and re-borrowed, subject to the terms and conditions hereof. Advances under the Term Loan shall not be permitted to be repaid and re-borrowed, and any repayment under the Term Loan shall permanently reduce the Maximum Amount of the Term Loan available hereunder.
- (b) Borrower shall request each Advance by written notice to Lender substantially in the form of Exhibit A (each a "**Notice of Advance**") given no later than 1:00 p.m. (Toronto time) two (2) Business Days prior to the Business Day of the proposed advance and within two (2) Business Days of the delivery of the documents and information provided for in Section 4.1(a) Lender shall be fully protected under this Agreement in relying upon, and shall be entitled to rely upon: (i) any Notice of Advance believed by Lender to be genuine; and (ii) the assumption that the Persons making electronic requests or executing and delivering a Notice of Advance were duly authorized, unless the responsible individual acting thereon for Lender shall have actual knowledge to the contrary. As an accommodation to Borrower, Lender may permit telephonic (which shall, promptly upon request be confirmed in writing by Borrower), electronic, or email requests for an Advance and electronic transmittal of instructions, authorizations, agreements or reports to Lender by Borrower. Unless Borrower specifically directs Lender in writing not to accept or act upon telephonic or electronic communications from Borrower, Lender shall have no liability to Borrower for any loss or damage suffered by Borrower as a result of Lender's honouring of any requests, execution of any instructions, authorizations or agreements or reliance on any reports communicated to it telephonically or electronically and purporting to have been sent to Lender by Borrower, and Lender shall have no duty to verify the origin of any such communication or the identity or authority of the Person sending it.

- (c) In making any Loan hereunder Lender shall be entitled to rely upon the most recent Borrowing Base Certificate delivered to Lender by Borrower and other information available to Lender.

1.2 Term and Prepayment

- (a) Upon the Commitment Termination Date, the obligation of Lender to make Advances and extend other credit hereunder shall immediately terminate and Borrower shall pay to Lender in full, in cash: (i) all outstanding Advances and all accrued but unpaid interest thereon; (ii) an amount sufficient to enable Lender to hold cash collateral as may be required, solely to the extent of any Obligations remaining outstanding after repayment; and (iii) all other non-contingent Obligations due to Lender.
- (b) If the Revolving Credit Loan shall at any time exceed the Borrowing Availability applicable to the Revolving Credit Loan, or the Term Loan shall at any time exceed the Borrowing Availability applicable to the Term Loan, then Borrower shall immediately repay the applicable Loan in the amount of such excess.
- (c) Borrower shall have the right, at any time upon fifteen (15) days' prior written notice to Lender to: (i) terminate voluntarily Borrower's right to receive or benefit from, and Lender's obligation to make Advances; and (ii) prepay all of the Obligations. Following receipt of such notice by Lender, the effective date of termination of the Loans specified in such notice shall be deemed to be the Commitment Termination Date. If Borrower exercises its right of termination and prepayment, or if Lender's obligation to make Loans is terminated for any reason prior to the Maturity Date then in effect (including as a result of the occurrence of a Default), Borrower shall pay to Lender the applicable Prepayment Fee.

1.3 Use of Proceeds

Borrower shall use the proceeds of the Loans: (i) for working capital; (ii) in the case of the Term Loan, to support the purchase of Equipment; and (iii) for other permitted general corporate purposes (including, for certainty, for the purposes of making acquisitions permitted under Section 5.2(a)).

1.4 Obligations

The Loans and all of the other Obligations of Borrower to Lender shall constitute one general obligation of Borrower secured by all of the Collateral.

1.5 Interest

- (a) Borrower shall pay interest to Lender on the aggregate outstanding Advances at a rate equal to the Canadian Dollar Interest Rate or the US Dollar Interest Rate, as applicable per annum (the "**Revolving Credit Rate**"), and, on the outstanding balance of the Term Loan at a rate equal to the Canadian Dollar Interest Rate or the US Dollar Interest Rate, as applicable per annum (the "**Term Loan Rate**"). All computations of interest shall be made by Lender on the basis of a three hundred and sixty-five (365) or three hundred and sixty-six (366), as applicable, day year, in each case for the actual number of days occurring in the period for which such interest or fee is payable and shall be calculated daily and compounded (if unpaid) in arrears on the last day of each calendar month.
- (b) Each determination by Lender of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error. In no event will Lender charge interest at a rate that exceeds the highest rate of interest permissible under any Applicable Law that a court of competent jurisdiction shall, in a final determination, deem applicable.
- (c) Interest shall be payable on the Advances: (i) in arrears for the preceding calendar month on the last Business Day of each calendar month; (ii) on the Commitment Termination

Date; and (iii) if any interest accrues or remains payable after the Commitment Termination Date, upon demand by Lender.

- (d) Effective upon the occurrence of any Event of Default and for so long as any Event of Default shall be continuing, the Revolving Credit Rate and the Term Loan Rate shall in the discretion of Lender be increased by five percentage points (5%) per annum (such increased rate, the "**Default Rate**"), and all outstanding Obligations, including unpaid interest, shall continue to accrue interest from the date of such Event of Default at the Default Rate applicable to such Obligations.
- (e) If any interest or any other payment (including Unused Line Fees and Collateral Monitoring Fees) to Lender under this Agreement becomes due and payable on a day other than a Business Day, such payment date shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension.
- (f) The Borrower hereby acknowledges and confirms that it understands the conversion formulas and how to calculate any annual rate of interest contemplated in this Section and any and all fees due and payable under this Agreement. Lender agrees that promptly upon request by the Borrower from time to time it will assist the Borrower in calculating the effective annual rate of interest required to be disclosed pursuant to section 4 of the *Interest Act* (Canada).
- (g) Notwithstanding any provision of this Agreement and any other Loan Document, in no event shall the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under any Loan Document exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under any Loan Document lawfully permitted by that section, nor shall the interest payable under any Loan Document exceed the rate of interest which may be lawfully charged by any other Applicable Laws having application to interest payable under any Loan Document, and, if any payment, collection or demand pursuant to any Loan Document in respect of "interest" (as defined in that section) or under any such other Applicable Laws is determined to be contrary to the provisions of that section or such other Applicable Laws, such payment, collection or demand shall be deemed to have been made by mutual mistake of Borrower and Lender and the amount of such payment or collection shall be refunded to Borrower. For the purpose of this Agreement, and to the extent permitted by Applicable Law, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of the facilities hereunder and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be *prima facie* evidence of such rate.

1.6 Cash Management System

On or prior to the Closing Date and until the Termination Date, Borrower will establish and maintain the cash management system described in Schedule C. All payments in respect of the Collateral shall be made to or deposited in the Blocked Accounts described in Schedule C in accordance with the terms thereof.

1.7 Fees

Borrower agrees to pay to Lender the Fees set forth in Schedule D on the dates noted therein.

1.8 Receipt of Payments

Borrower shall make each payment under this Agreement (not otherwise made pursuant to Section 1.9) without set-off, counterclaim or deduction and free and clear of all Taxes on the day when due in lawful money of Canada in immediately available funds to the Blocked Accounts. If Borrower shall be required by Applicable Law to deduct or withhold any Taxes from any payment to Lender under any Loan Document, then the amount payable to Lender shall be increased so that, after making all required deductions and

withholdings, Lender receives an amount equal to that which it would have received had no such deductions and withholdings been made. For purposes of computing interest and Fees, all payments shall be deemed received by Lender one (1) Business Day following receipt of immediately available funds in the Blocked Accounts.

1.9 Application and Allocation of Payments

Borrower irrevocably agrees that Lender shall have the continuing and exclusive right to apply any and all payments against the then due and payable Obligations in such order as Lender may deem advisable. Lender is authorized to, and at its option may (without prior notice or precondition and at any time or times), but shall not be obligated to, make or cause to be made Revolving Credit Advances on behalf of Borrower, for: (a) payment of all Fees, expenses, indemnities, charges, costs, principal, interest, or other Obligations owing by Borrower under this Agreement or any of the other Loan Documents; (b) the payment, performance or satisfaction of any of Borrower's obligations with respect to preservation of the Collateral; or (c) any premium in whole or in part required in respect of any of the policies of insurance required by this Agreement, even if the making of any such Revolving Credit Advance causes the outstanding balance of the Revolving Credit Loan to exceed the Borrowing Availability, and Borrower agrees to repay immediately, in cash, any amount by which the Revolving Credit Loan exceeds the Borrowing Availability.

1.10 Accounting

Lender is authorized to record on its books and records the date and amount of each Loan and each payment of principal thereof and such recordation shall constitute prima facie evidence of the accuracy of the information so recorded. Lender shall provide Borrower on a monthly basis a statement and accounting of such recordations but any failure on the part of Lender to keep any such recordation (or any errors therein) or to send a statement thereof to Borrower shall not in any manner affect the obligation of Borrower to repay any of the Obligations. Except to the extent that Borrower shall, within thirty (30) days after such statement and accounting is sent, notify Lender in writing of any objection Borrower may have thereto (stating with particularity the basis for such objection), such statement and accounting shall be deemed final, binding and conclusive upon Borrower, absent manifest error.

1.11 Indemnity

Borrower and each other Credit Party executing this Agreement jointly and severally agree to indemnify and hold Lender and its Affiliates, and their respective employees, officers, directors, professional advisors and agents (each, an "Indemnified Person"), harmless from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses of any kind or nature whatsoever (including legal fees and disbursements and other costs of investigation or defence, including those incurred upon any appeal) which may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or with respect to the execution, delivery, enforcement, performance or administration of, or in any other way arising out of or relating to, this Agreement and the other Loan Documents or any other documents or transactions contemplated by or referred to herein or therein and any actions or failures to act with respect to any of the foregoing, including any and all product liabilities, Environmental Liabilities, Taxes and legal costs and expenses arising out of or incurred in connection with any dispute between or among any parties to any of the Loan Documents (collectively, "Indemnified Liabilities"), except to the extent that any such Indemnified Liability is finally determined by a court of competent jurisdiction to have resulted solely from such Indemnified Person's gross negligence or wilful misconduct. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY CREDIT PARTY, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

1.12 Borrowing Base

The Borrowing Base shall be determined by Lender (including the eligibility of Accounts and Inventory) based on the most recent Borrowing Base Certificate delivered to Lender in accordance with Section 4.1(a).

1.13 Increase in Maximum Amount in respect of the Revolving Credit Loan

The Borrower may, at any time and from time to time, increase the Maximum Amount in respect of the Revolving Credit Loan on not less than thirty (30) days' advance written notice (the "**Increase Notice**"). The right to increase the Maximum Amount in respect of the Revolving Credit Loan shall be subject to the following:

- (a) the Lender shall have received an executed Increase Notice, which Increase Notice shall set forth the amount of the proposed increase in the Maximum Amount in respect of the Revolving Credit Loan, not less than thirty (30) days' in advance of the date on which the increase to the Maximum Amount is proposed to take effect;
- (b) the amount of the proposed increase in the Maximum Amount in respect of the Revolving Credit Loan is not less than \$5,000,000 (or the remaining amount of the Maximum Amount in respect of the Revolving Credit Loan, if the same is less than \$5,000,000); and
- (c) no Default or Event of Default shall have occurred and be continuing and the Borrower shall have delivered to the Agent an officer's certificate confirming the same and otherwise confirming (i) its corporate authorization to make such increase, (ii) that all representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and as of the date thereof as if made on and as of such date and (iii) that no consents, approvals or authorizations are required for such increase (except as have been unconditionally obtained and are in full force and effect, unamended); each as at the effective date of such increase.

SECTION 2 – CONDITIONS PRECEDENT

2.1 Conditions to the Initial Loans

Lender shall not be obligated to make any of the Loans or to perform any other action hereunder, until the following conditions have been satisfied in a manner satisfactory to Lender in its sole discretion, or waived in writing by Lender:

- (a) the Loan Documents to be delivered on or before the Closing Date shall have been duly executed and delivered by the appropriate parties, all as set forth in the Schedule of Documents (Schedule E);
- (b) Lender shall have received and shall be satisfied with such estoppel letters, landlord (in a form and substance acceptable to Lender in its sole discretion), mortgagee, processor and bailee or third party distributor waivers and such other consents (including consents from Governmental Authorities) as Lender may require in its discretion, provided that any such estoppel letter or waivers where Lender has taken an Availability Reserve shall not be a condition precedent to the making of any of the Loans;
- (c) Lender shall have received and shall be satisfied with such subordination and intercreditor agreements as Lender may require in its discretion;
- (d) the insurance policies provided for in Section 3.16 shall be in full force and effect, together with appropriate evidence showing loss payable or additional insured clauses or endorsements in favour of Lender as required under such Section;

- (e) Lender shall have received an opinion of counsel to each of the Credit Parties (including a standard enforceability opinion) with respect to each Loan Document to which such Credit Party is a party, in form and substance satisfactory to Lender, acting reasonably;
- (f) Lender (and where applicable, Lender's counsel) shall have completed and be satisfied with the results of all business, environmental and legal due diligence;
- (g) Lender shall have received, and be satisfied with, the results of Credit Parties' Equipment appraisal conducted by an appraisal firm acceptable to Lender;
- (h) Lender shall have been provided with, and be satisfied with, its review of Credit Parties' documents regarding its corporate and capital structure, Material Contracts and debt instruments;
- (i) Lender shall have reviewed and be satisfied with Credit Parties' customers' contracts, and, if requested by Lender, the purchase orders relating thereto;
- (j) Lender shall have completed and be satisfied with the results of the background and reference checks on Credit Parties', and senior management of the Credit Parties; and
- (k) Lender shall have received, and same shall continue to be valid and current, certified copies of all the constating documents, by-laws and resolutions of the directors (or partners, members or shareholders as required by Lender) authorizing the Loan Documents, and certificates of incumbency, for Borrower and each other Credit Party.

2.2 Further Conditions to the Loans

Lender shall not be obligated to fund any Loan (including the initial Loans), if, as of the date thereof:

- (a) any representation or warranty by any Credit Party contained herein or in any of the other Loan Documents shall be untrue or incorrect as of such date, except to the extent that any such representation or warranty is expressly stated to relate to a specific earlier date, in which case, such representation and warranty shall be true and correct as of such earlier date;
- (b) any event or circumstance, which has had or reasonably could be expected to have a Material Adverse Effect, shall have occurred since the date of the most recent Financial Statement delivered pursuant to Section 4.1;
- (c) any Default shall have occurred and be continuing or would result after giving effect to such Loan;
- (d) Lender shall have received a Borrowing Base Certificate in form an substance reasonably satisfactory to the Lender; and
- (e) after giving effect to such Loan, the Revolving Credit Loan would exceed the Borrowing Availability applicable to the Revolving Credit Loan, or the Term Loan would exceed the Borrowing Availability applicable to the Term Loan.

The request and acceptance by Borrower of the proceeds of any Loan shall be deemed to constitute, as of the date of such request and the date of such acceptance: (i) a representation and warranty by Borrower that the conditions in this Section 2.2 have been satisfied; and (ii) a restatement by Borrower of each of the representations and warranties made by it in each Loan Document and a reaffirmation by Borrower of the granting and continuance of Lender's Liens pursuant to the Loan Documents.

2.3 Warrants

The Borrower will continue to use its reasonable commercial efforts to obtain TSX Venture Exchange approval ("**TSXV Approval**") to grant to the Lender common share purchase warrants, in a form satisfactory to the Lender, to acquire 225,000 common shares in the capital of the Borrower for a period of 60 months, with an exercise price equal to 25% above the closing price as of the business day prior to the Closing Date. Upon receipt of TSXV Approval, the Borrower shall promptly deliver a certificate representing the aforementioned warrants to the Lender, together with such certificates and opinions regarding the same as the Lender may reasonably require. The Lender represents that it is an "accredited investor" as such term is defined in the National Instrument 45-106, Prospectus Exemption and satisfies the criteria under paragraph (m) thereunder.

SECTION 3 – REPRESENTATIONS, WARRANTIES AND AFFIRMATIVE COVENANTS

To induce Lender to enter into this Agreement and to make the Loans, Borrower and each other Credit Party executing this Agreement represent and warrant to Lender (each of which representations and warranties shall survive the execution and delivery of this Agreement), and promise to and agree with Lender at all times until the Termination Date as follows:

3.1 Corporate Existence; Compliance with Law

Each Credit Party:

- (a) is, as of the Closing Date, and will continue to be: (i) a corporation, partnership or limited liability company, as applicable, duly organized, validly existing, duly qualified or registered and in good standing under the Applicable Laws of the jurisdiction of its incorporation or formation; (ii) duly qualified to do business and in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; and (iii) in compliance with all Requirements of Law, including without limitation, Applicable Laws relating to food safety and the prevention of money laundering and terrorist financing and Contractual Obligations, except to the extent failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (b) has and will continue to have: (i) the requisite power and authority and the legal right to execute, deliver and perform its obligations under the Loan Documents to which it is a party, and to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease, and to conduct its business as now, heretofore or proposed to be conducted; and (ii) all licenses, permits, franchises, rights, powers, consents or approvals from or by all Persons or Governmental Authorities having jurisdiction over such Credit Party which are necessary or appropriate for the conduct of its business; and
- (c) is not an "insolvent person" as such term is defined in the RIA.

3.2 Executive Offices; Corporate or Other Names

The location of each Credit Party's chief executive office, corporate offices, warehouses, other locations of Collateral and locations where records with respect to Collateral are kept (including, in each case, the county of such locations, to the extent applicable) are as set forth in Disclosure Schedule (3.2) and, except as set forth in such Disclosure Schedule, such locations have not changed during the preceding twelve (12) months. As of the Closing Date, during the prior five years, except as set forth in Disclosure Schedule (3.2), no Credit Party has been known as or conducted business in any other name (including trade or business names).

3.3 Corporate Power; Authorization; Enforceable Obligations

The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party, and the creation by such Credit Party of all Liens provided for herein and therein: (a) are and will continue to be within such Credit Party's power and authority; (b) have been and will continue to be duly authorized by all necessary or proper action; (c) are not and will not be in violation of any Requirement of Law or Contractual Obligation of such Credit Party; (d) do not and will not result in the creation or imposition of any Lien (other than in favour of Lender) upon any of the Collateral; and (e) do not and will not require the consent or approval of any Governmental Authority or any other Person that has not been obtained. As of the Closing Date, each Loan Document shall have been duly executed and delivered on behalf of each Credit Party thereto, and each such Loan Document upon such execution and delivery shall be and will continue to be a legal, valid and binding obligation of such Credit Party, enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other similar Applicable Laws affecting creditors' rights generally.

3.4 Financial Statements and Projections; Books and Records

- (a) The Financial Statements delivered by Borrower to Lender for its most recently ended Fiscal Year and Fiscal Quarter, are true, correct and complete and reflect fairly and accurately the financial condition of Borrower as of the date of each such Financial Statement in accordance with GAAP. The Projections most recently delivered by Borrower to Lender have been prepared in good faith, with care and diligence and use assumptions that are reasonable under the circumstances at the time such Projections were prepared and as of the date delivered to Lender and all such assumptions are disclosed in the Projections; and
- (b) each of Borrower and the other Credit Parties shall keep adequate Books and Records with respect to the Collateral and its business activities in which proper entries, reflecting all consolidated and consolidating financial transactions, and payments and credits received on, and all other dealings with, the Collateral, shall be made in accordance with GAAP and all Requirements of Law and on a basis consistent with the Financial Statements.

3.5 Material Adverse Change

Between the date of the most recent audited Financial Statements delivered to Lender for each Credit Party and the Closing Date: (a) no Credit Party has incurred any obligations, contingent or non-contingent liabilities, or liabilities for Charges, long-term leases or unusual forward or long-term commitments which are not reflected in the Projections delivered prior to the Closing Date and which could, alone or in the aggregate, reasonably be expected to have a Material Adverse Effect; (b) there has been no material deviation from such Projections; and (c) no events have occurred which alone or in the aggregate have had or could reasonably be expected to have a Material Adverse Effect. No Requirement of Law or Contractual Obligation of any Credit Party has or have had or could reasonably be expected to have a Material Adverse Effect. No Credit Party is in default, and to such Credit Party's knowledge, no third party is in default, under or with respect to any of its Contractual Obligations, which alone or in the aggregate has had or could reasonably be expected to have a Material Adverse Effect.

3.6 Real Estate; Property

The real estate listed in Disclosure Schedule (3.6) constitutes, as of the Closing Date, all of the real property owned, leased, or used by each Credit Party in its business, and such Credit Party will not execute any material agreement or contract in respect of such real estate after the date of this Agreement without giving Lender prompt prior written notice thereof. Each Credit Party holds and will continue to hold good and marketable fee simple title to all of its owned real estate, and good and marketable title to all of its other properties and assets, and valid and insurable leasehold interests in all of its leases (both as lessor and lessee, sublessee or assignee), and none of the properties and assets of any Credit Party are or will be subject to any Liens, except Permitted Encumbrances. With respect to each of the premises identified in

Disclosure Schedule (3.6) on or prior to the Closing Date a bailee, third party distributor, landlord or mortgagee waiver acceptable to Lender has been obtained except as expressly noted in Disclosure Schedule (3.6).

3.7 Ventures, Subsidiaries and Affiliates; Outstanding Shares and Indebtedness

Except as set forth in Disclosure Schedule (3.7), as of the Closing Date no Credit Party has any Subsidiaries, is engaged in any joint venture or partnership with any other Person, or is an Affiliate of any other Person. All of the issued and outstanding Shares of each Credit Party (including all rights to purchase, options, warrants or similar rights or agreements pursuant to which any Credit Party may be required to issue, sell, repurchase or redeem any of its Shares) as of the Closing Date are registered in the name of each of the Shareholders (and in the amounts) set forth on Disclosure Schedule (3.7). All outstanding Indebtedness of each Credit Party as of the Closing Date is described in Disclosure Schedule (5.2(b)). Each Credit Party will, upon forming any Subsidiary, promptly (and in any event within ten (10) Business Days) thereafter: (a) cause such Subsidiary to become a Credit Party hereunder and deliver all Loan Documents required to be delivered by a Credit Party hereunder; and (b) take all other actions required by Lender to perfect the Lender's first priority Liens upon the Collateral.

3.8 Government Regulations

To the extent any Credit Party is subject to or regulated under any Applicable Law that restricts or limits such Person's ability to incur Indebtedness, pledge its assets, or to perform its obligations under the Loan Documents, such Applicable Laws have been complied with. The making of the Loans, the application of the proceeds and repayment thereof, and the consummation of the transactions contemplated by the Loan Documents do not and will not violate any Requirement of Law.

3.9 Taxes; Charges

Except as disclosed on Disclosure Schedule (3.9) all tax returns, reports and statements required by any Governmental Authority to be filed by Borrower or any other Credit Party have, as of the Closing Date, been filed and will, until the Termination Date, be filed with the appropriate Governmental Authority and no tax Lien has been filed against any Credit Party or any Credit Party's property. Proper and accurate amounts have been and will be withheld by Borrower and each other Credit Party from their respective past or present employees for all periods in complete compliance with all Requirements of Law and such withholdings have been and will be timely paid to the appropriate Governmental Authorities. Disclosure Schedule (3.9) sets forth as of the Closing Date those taxable years for which any Credit Party's tax returns are currently being audited by the Canada Revenue Agency or any other applicable Governmental Authority and any assessments or threatened assessments in connection with such audit, or otherwise currently outstanding. Except as described on Disclosure Schedule (3.9), none of the Credit Parties nor their respective predecessors are liable for any Charges: (a) under any agreement (including any tax sharing agreements or agreement extending the period of assessment of any Charges); or (b) to each Credit Party's knowledge, as a transferee.

3.10 Payment of Obligations

Each Credit Party will pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of its Charges and other obligations of whatever nature, except where the amount or validity thereof is at such time being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of such Credit Party and none of the Collateral is or could reasonably be expected to become subject to any Lien or forfeiture or loss as a result of such contest.

3.11 Pension Plans

- (a) Disclosure Schedule (3.11) lists all Plans applicable to Borrower (other than, for greater certainty, Plans maintained by the Government of Canada or any Government of a

Province of Canada to which Borrower is obligated to contribute under any Applicable Law).

- (b) No Pension Event has occurred or is reasonably expected to occur. The aggregate amount of all normal contributions (as such term is defined for the purpose of the BIA) accruing due but not paid or remitted, all amounts withheld from employees and not paid or remitted and other amounts which might give rise to a Lien giving any priority under the BIA shall never exceed the Minimum Actionable Amount.
- (c) In respect of the Plans and Benefit Arrangements:
- (i) each member of the ERISA Group is in compliance with any applicable provisions of ERISA with respect to all Benefit Arrangements, Plans and Multiemployer Plans;
 - (ii) there has been no Prohibited Transaction with respect to any Benefit Arrangement which would reasonably be expected to have a Material Adverse Effect, and there has been no Prohibited Transaction with respect to any Plan or, to the best knowledge of any member of the ERISA Group, with respect to any Multiemployer Plan or any Multiple Employer Plan, which could result in any liability of any member of the ERISA Group;
 - (iii) each member of the ERISA Group has made when due any and all material payments required to be made under any agreement relating to a Multiemployer Plan or a Multiple Employer Plan or any Applicable Law pertaining thereto;
 - (iv) with respect to each Plan and Multiemployer Plan, each member of the ERISA Group (A) has materially fulfilled in all their obligations under the minimum funding standards of ERISA; (B) have not incurred any liability to the PBGC, and (C) have not had asserted against them any penalty for failure to fulfill the minimum funding requirements of ERISA;
 - (v) to the best of the knowledge of each member of the ERISA Group, each Multiemployer Plan and Multiple Employer Plan is able to pay benefits thereunder when due;
 - (vi) no member of the ERISA Group has instituted or intends to institute proceedings to terminate any Plan;
 - (vii) no event requiring notice to the PBGC under Section 302(f)(4)(A) of ERISA (or, for plan years beginning after 2007, Section 303(k)(4)(A) of ERISA) has occurred or is reasonably expected to occur with respect to any Plan, and no amendment with respect to which security is required under Section 307 (or, for plan years beginning after 2007, Section 206(g)(5) of ERISA) of ERISA has been made or is reasonably expected to be made to any Plan;
 - (viii) the aggregate actuarial present value of all benefit liabilities (whether or not vested) under each Plan, determined on a plan termination basis, as disclosed in, and as of the date of, the most recent actuarial report for such Plan, does not exceed the aggregate fair market value of the assets of such Plan;
 - (ix) no member of the ERISA Group has incurred or reasonably expects to incur any withdrawal liability under ERISA to any Multiemployer Plan or Multiple Employer Plan;
 - (x) no Credit Party and no other member of the ERISA Group has been notified by any Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan has been terminated within the meaning of Title IV of

ERISA and, to the best knowledge of each Credit Party, no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be reorganized or terminated, within the meaning of Title IV of ERISA;

- (xi) to the extent that any Benefit Arrangement is insured, each Credit Party and all other members of the ERISA Group have materially paid when due all premiums required to be paid for all periods;
- (xii) to the extent that any Benefit Arrangement is funded other than with insurance, each Credit Party and all other members of the ERISA Group have made when due all contributions required to be paid for all periods, except for any failure to pay when due any contributions which would not reasonably be expected to have a Material Adverse Effect; and
- (xiii) all Plans, Benefit Arrangements and Multiemployer Plans have been administered in compliance with their terms and Applicable Law, except for any such non-compliance which would not reasonably be expected to have a Material Adverse Effect.

3.12 Litigation

No Litigation is pending or, to the knowledge of any Credit Party, threatened against any Credit Party or against any Credit Party's properties or revenues: (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby; (b) which could reasonably be expected to have a Material Adverse Effect; or (c) which is otherwise in an amount in excess of the Minimum Actionable Amount. Except as set forth on Disclosure Schedule (3.12), as of the Closing Date, there is no Litigation pending or threatened against any Credit Party which seeks damages in excess of the Minimum Actionable Amount or injunctive relief or alleges criminal misconduct of any Credit Party. Following the Closing Date, each Credit Party shall notify Lender promptly in writing upon learning of the existence, threat or commencement of any Litigation against any Credit Party or any Plan, in each case, if applicable, or any allegation of criminal misconduct against any Credit Party.

3.13 Intellectual Property

As of the Closing Date, all Material Intellectual Property owned or used by any Credit Party is listed, together with application or registration numbers, where applicable, in Disclosure Schedule (3.13). Each Credit Party owns, or is licensed to use, all Material Intellectual Property. Each Credit Party will maintain the patenting and registration of all Material Intellectual Property owned by it with the appropriate Governmental Authority and each Credit Party will promptly apply to patent or register, as the case may be, all new Material Intellectual Property developed by it and notify Lender in writing five (5) Business Days prior to filing any such new patent or registration.

3.14 Full Disclosure/Know Your Customer

No information contained in any Loan Document, the Financial Statements or any written statement furnished by or, to the knowledge of such Credit Party after due investigation, on behalf of any Credit Party, under any Loan Document or to induce Lender to execute the Loan Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. Without limitation to any other term hereof, each Credit Party shall provide Lender with such documentation and other evidence as is determined necessary by Lender in or for it to be satisfied that it has complied and all times will comply with all "know your customer" requirements under all applicable Requirements of Law (including in connection with any change of laws or requirement or any proposed or actual assignment by Lender).

3.15 Environmental Matters

Except as set forth on Disclosure Schedule (3.15), as of the Closing Date: (a) each real property location owned, leased or occupied by or otherwise in the charge, management or control of each Credit Party (the "**Real Property**") is maintained free of material contamination that is required by the applicable Environmental Laws to be removed, remediated or mitigated; (b) no Credit Party is subject to any Environmental Liabilities or, to any Credit Party's knowledge, potential Environmental Liabilities, in excess of the Minimum Actionable Amount in the aggregate; (c) no notice has been received by any Credit Party identifying it as a "potentially responsible party" or otherwise identifying it as a potentially liable party or requesting information under the EPA or analogous federal or provincial Applicable Laws, in each case, to the extent applicable, and to the knowledge of any Credit Party, there are no facts, circumstances or conditions that may result in any Credit Party being identified as a "potentially responsible party" under the EPA or analogous federal or provincial Applicable Laws, in each case, to the extent applicable; and (d) each Credit Party has provided to Lender copies of all existing environmental reports, reviews and audits and all written information pertaining to actual or potential Environmental Liabilities, in each case relating to each Real Property location. Each Credit Party: (i) shall comply in all material respects with all applicable Environmental Laws and environmental permits; (ii) shall notify Lender in writing within seven (7) Business Days if and when it becomes aware of any Release, on, at, in, under, above, to, from or about any of its Real Property; and (iii) shall promptly forward to Lender a copy of any order, notice, permit, application, or any communication or report received by it or any other Credit Party in connection with any such Release.

3.16 Insurance

As of the Closing Date, Disclosure Schedule (3.16) lists all insurance of any nature maintained for current occurrences by Borrower and each other Credit Party, as well as a summary of the terms of such insurance. Each Credit Party shall deliver to Lender originals or copies and endorsements to all of its and those of its Subsidiaries: (a) "All Risks" and business interruption insurance policies naming Lender as loss payee and additional insured; and (b) general liability and other liability policies naming Lender as an additional insured. All policies of insurance on real and personal property will be adequate in form, substance, scope and amount and will contain an endorsement, all in form and substance acceptable to Lender, showing loss payable to Lender (I.B.C. Form 3000 or equivalent) and extra expense and business interruption endorsements. Such endorsement, or an independent instrument furnished to Lender, will provide that the insurance companies will give Lender at least thirty (30) days prior written notice before any such policy or policies of insurance shall be altered or cancelled and that no act or default of Borrower or any other Person shall affect the right of Lender to recover under such policy or policies of insurance in case of loss or damage. Each Credit Party shall direct all present and future insurers under its "All Risk" policies of insurance to pay all proceeds payable thereunder directly to Lender. If any insurance proceeds are paid by cheque, draft or other instrument payable to any Credit Party and Lender jointly, Lender may endorse such Credit Party's name thereon and do such other things as Lender may deem advisable to reduce the same to cash. Lender reserves the right at any time, upon review of each Credit Party's risk profile, to require additional forms and limits of insurance. Each Credit Party shall, on each anniversary of the Closing Date and from time to time at Lender's request, deliver to Lender a report by a reputable insurance broker, satisfactory to Lender, with respect to such Credit Party's insurance policies. Borrower will maintain all such insurance in effect during the term of this Agreement. Notwithstanding the foregoing, the Credit Parties shall have thirty (30) days after the Closing Date to fulfil any of the requirements set forth in this Section 3.16 in respect of any business interruption insurance policies.

3.17 Bank Accounts

Borrower and the other Credit Parties shall maintain deposit and/or other accounts, including the Blocked Accounts and Disbursement Accounts, with the Blocked Account Banks and will not have any other bank accounts without the prior consent of Lender.

3.18 Accounts and Inventory

As of the date of each Borrowing Base Certificate delivered to Lender, each Account listed thereon as an Eligible Account shall be an Eligible Account and all Inventory listed thereon as Eligible Inventory shall be Eligible Inventory. Borrower has not made, and will not make, any agreement with any Account Debtor for any extension of time for the payment of any Account, any compromise or settlement for less than the full

amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom except a discount or allowance for prompt or early payment allowed by Borrower in the ordinary course of its business consistent with historical practice and as previously disclosed to Lender in writing. With respect to the Accounts pledged as collateral pursuant to any Loan Document: (a) the amounts shown on all invoices, statements and reports which may be delivered to Lender with respect thereto are actually and absolutely owing to the relevant Credit Party as indicated thereon and are not in any way contingent; (b) no payments have been or shall be made thereon except payments immediately delivered to the applicable accounts described in Schedule C or Lender as required hereunder; and (c) to Borrower's knowledge, all Account Debtors have the capacity to contract. Borrower shall notify Lender promptly of any event or circumstance which, to Borrower's knowledge would cause Lender to consider any then existing Account or Inventory as no longer constituting an Eligible Account or Eligible Inventory, as the case may be.

3.19 Conduct of Business

- (a) Each Credit Party: (i) shall conduct its business substantially as now conducted or as otherwise permitted hereunder; (ii) shall at all times maintain, preserve and protect all of the Collateral and such Credit Party's other property, used or useful in the conduct of its business and keep the same in good repair, working order and condition and make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices; and (iii) shall conduct all its business in accordance with all Hazard Analysis and Critical Control Point ("**HACCP**") guidelines and principles and maintain a HACCP plan acceptable to Lender.
- (b) The Borrower shall, at all time, remain listed on the TSX Venture Exchange of the Toronto Stock Exchange.

3.20 Material Contracts

All of the Material Contracts of the Credit Parties are described in Schedule F.

3.21 Further Assurances

At any time and from time to time, upon the written request of Lender and at the sole expense of Borrower, Borrower and each other Credit Party shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Lender may reasonably deem desirable: (a) to obtain the full benefits of this Agreement and the other Loan Documents; (b) to protect, preserve and maintain Lender's rights in any Collateral; or (c) to enable Lender to exercise all or any of the rights and powers herein granted.

3.22 Default

No Default or Event of Default has occurred and is continuing.

3.23 Anti-Corruption; Anti-Money Laundering

- (a) No Credit Party, any of its subsidiaries, any director, officer or employee of any Credit Party or any of its subsidiaries, nor any agent or representative of any Credit Party or any of its subsidiaries, is a Sanctioned Person or currently the subject or target of any Sanctions.
- (b) The Credit Parties, each of their subsidiaries, and each of the Credit Parties and their subsidiaries' respective directors, officers, employees, agents and representatives, is in compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions. The Credit Parties shall at all times comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to the Credit Parties and shall cause each of their respective subsidiaries to comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to such Persons.

- (c) The Credit Parties and their subsidiaries have instituted and will maintain in effect policies and procedures reasonably designed to ensure compliance by the Credit Parties, their subsidiaries, and their respective directors, officers, employees, agents and representatives with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.
- (d) The Credit Parties shall provide the Lender any information regarding the Credit Parties, and each of their respective owners, Affiliates, and subsidiaries necessary for the Lender to comply with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; subject however, in the case of Affiliates, to Credit Parties' ability to provide information applicable to them.

SECTION 4 – FINANCIAL REPORTS, INFORMATION AND NOTICES

4.1 Reports and Information

From the Closing Date until the Termination Date, Borrower shall deliver to Lender:

- (a) on the first Business Day of each month by 12.00 p.m. (Toronto time) on such day and on each other day a Notice of Advance is submitted (in accordance with the timeframes set out in Section 1.1(b) above), a Borrowing Base Certificate in the form of Exhibit C as of the close of business of the previous Business Day, detailing the calculation of the Borrowing Base (and making reference to the Availability Reserves determined by Lender based on the prior-delivered Borrowing Base Certificate, or, in respect of the first delivered Borrowing Base Certificate, that Availability Reserves determined by the Lender and provided to the Borrower not fewer than two (2) Business Days' in advance), certified as true and correct by an Authorized Officer, together with an accounts receivable roll forward analysis in the form of Attachment 1 to Exhibit C, and all accounts receivable, accounts payable and inventory ledgers, subledgers, copies of bank account statements and other backup reporting as Lender may reasonably require, provided that: (i) Borrower shall provide a full Borrowing Base Certificate on or before the Closing Date, based on the financial information available to Borrower as at the Closing Date; (ii) Borrower shall provide a further full Borrowing Base Certificate, in form and substance reasonably satisfactory to Lender, within (10) days of the Closing Date; and (iii) thereafter, at any time prior to the date on which the first Revolving Credit Advance is made, each such Borrowing Base Certificate shall not be required to include (or be accompanied by) any figures, calculations or statements to the extent they relate solely to the calculation of the Revolving Credit Loan Borrowing Base;
- (b) within thirty (30) days following the end of each Fiscal Month:
 - (i) its aged accounts payable listing by creditor, its aged accounts receivable listing by Account Debtor, its Inventory perpetual or physical listing and if requested by Lender, reconciliations of the aged accounts receivable listing by Account Debtor and the Inventory perpetual or physical listing (as the case may be) to Borrower's trial balance and from the trial balance to the Financial Statements for such Fiscal Month, accompanied by supporting detail and documentation as Lender may request;
 - (ii) its trial balance for such Fiscal Month; and
 - (iii) its consolidated and consolidating Financial Statements for such Fiscal Month, which shall provide reporting on EBITDA for such month, comparisons to budget and actual results for the corresponding period during the prior Fiscal Year, both on a monthly and year-to-date basis;

- (c) within forty five (45) days following the end of each Fiscal Quarter, a Compliance Certificate, together with a statement in the form of Attachment 1 to Exhibit D, showing the calculations used in determining compliance with the financial covenants hereunder, together with a projected statement of cash flows for the following 13 week period, prepared on a weekly basis;
- (d) within one-hundred and twenty (120) days following the end of each Fiscal Year, the consolidated Financial Statements for such Fiscal Year audited without qualification by an independent qualified accounting firm acceptable to Lender, which shall provide comparisons to the prior Fiscal Year, together with any management letter that may be issued;
- (e) within thirty (30) days following the end of each Fiscal Year (and thereafter, (i) at the request of the Borrower, but not more than once in any Fiscal Quarter, and (ii) upon the consummation of a Permitted Acquisition, subject to the timely approval of the Lender acting reasonably and in good faith), consolidated Projections, by month for the next Fiscal Year prepared by Borrower in a manner consistent with GAAP and accompanied by senior management's discussion and analysis of such plan and prepared by Borrower in good faith, with care and diligence, and using assumptions which are reasonable under the circumstances at the time such Projections are delivered to Lender and disclosed therein when delivered (which Projections will be subject to the timely approval of the Lender acting reasonably and in good faith); and
- (f) all the other reports and information set forth in Exhibit B in the time frames set forth therein, and such other reports as Lender may require from time to time.

4.2 Notices

Borrower shall advise Lender promptly, in reasonable detail, of:

- (a) any Lien, other than Permitted Encumbrances, attaching to or asserted against any of the Collateral or any occurrence causing a material loss or decline in value of any Collateral and the estimated (or actual, if available) amount of such loss or decline;
- (b) any material change in the composition of the Collateral;
- (c) the occurrence of any Default or other event which has had or could reasonably be expected to have a Material Adverse Effect. Borrower shall, upon request of Lender, furnish to Lender such other reports and information in connection with the affairs, business, financial condition, operations, prospects or management of Borrower or any other Credit Party or the Collateral as Lender may reasonably request, all in reasonable detail; and
- (d) notice (including the nature of the event and, when known, any action taken or threatened by the U.S. Internal Revenue Service or the PBGC with respect thereto) of any of the following:
 - (i) any reportable event (as defined in Section 4043(c) of ERISA) with respect to any Credit Party or any other member of the ERISA Group (regardless of whether the obligation to report such reportable event to the PBGC has been waived);
 - (ii) any Prohibited Transaction which could subject any Credit Party or any other member of the ERISA Group to a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Internal Revenue Code in connection with any Plan, any Benefit Arrangement or any trust created thereunder;
 - (iii) any assertion of withdrawal liability with respect to any Multiemployer Plan;

- (iv) any partial or complete withdrawal from a Multiemployer Plan by any Credit Party or any other member of the ERISA Group under Title IV of ERISA (or assertion thereof), where such withdrawal is likely to result in withdrawal liability;
- (v) any cessation of operations by any Credit Party or any other member of the ERISA Group as described in Section 4062(e) of ERISA;
- (vi) withdrawal by any Credit Party or any other member of the ERISA Group from a Multiple Employer Plan;
- (vii) a failure by any Credit Party or any other member of the ERISA Group to make a payment to a Plan required to avoid imposition of a Lien under Section 302(f) of ERISA (or, for plan years beginning after 2007, Section 303(k)(4)(A) of ERISA);
- (viii) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA (or, for plan years beginning after 2007, Section 206(g)(5) of ERISA); or
- (ix) any change in the actuarial assumptions or funding methods used for any Plan, where the effect of such change is to materially increase or reduce the unfunded benefit liability or obligation to make periodic contributions.

SECTION 5 – FINANCIAL AND NEGATIVE COVENANTS

5.1 Financial Covenants

Credit Parties shall maintain the following financial covenants:

- (a) as at the end of each Fiscal Quarter, EBITDA of not less than eighty percent (80%) of the projected EBITDA for such Fiscal Quarter as set out in the Projections delivered and approved pursuant to Section 4.1(e); and
- (b) as at the end of each Fiscal Quarter, a Cash Coverage Ratio of not less than 2.50:1.00;

provided that, if, as at the end of any Fiscal Quarter, Borrower has satisfied the Cash Coverage Ratio covenant in Section 5.1(b) above, there shall not be deemed to be an Event of Default, regardless of whether Borrower has satisfied the EBITDA covenant in Section 5.1(a) above. For greater certainty, a breach of Section 5.1(b) above shall be an Event of Default regardless of whether Section 5.1(a) has been met.

5.2 Negative Covenants

Each Credit Party covenants to Lender that so long as this Agreement is in effect:

- (a) such Credit Party shall not: (i) form any Subsidiary or merge with, amalgamate with, consolidate with, any other Person except in accordance with Section 3.7; (ii) complete any Acquisitions, other than Permitted Acquisitions; or (iii) except as provided in Section 5.2(c) below, make a loan or advance to any Person;
- (b) such Credit Party shall not cancel any debt owing to it or create, incur, assume or permit to exist any Indebtedness, except:
 - (i) the Obligations;
 - (ii) Indebtedness existing as of the Closing Date set forth on Disclosure Schedule (5.2(b));

- (iii) deferred taxes;
 - (iv) by endorsement of instruments or items of payment for deposit to the general account of such Credit Party;
 - (v) Guaranteed Indebtedness incurred for the benefit of Borrower if the primary obligation is permitted by this Agreement;
 - (vi) Indebtedness owing to another Credit Party;
 - (vii) Purchase Money Indebtedness in an amount not to exceed the maximum principal amount of \$20,000,000 incurred in favour of Reiser (Canada) Co. and any Affiliate thereof;
 - (viii) Purchase Money Indebtedness incurred in favour of third parties other than Reiser (Canada) Co. or any Affiliate thereof in an aggregate amount not to exceed the maximum principal amount of \$5,000,000;
 - (ix) Subordinated Debt not to exceed \$10,000,000;
 - (x) credit card liabilities and any global payment transfer systems incurred after the Closing Date in an aggregate outstanding amount for all such Credit Parties combined not exceeding \$1,000,000; and
 - (xi) Indebtedness from time to time consented to by the Lender in writing (subject to any conditions required by the Lender);
- (c) such Credit Party shall not enter into any lending, borrowing or other commercial transaction with any of its employees, directors, Affiliates other than any other Credit Party and other than loans or advances to employees in the ordinary course of business in an aggregate outstanding amount not exceeding the Minimum Actionable Amount;
- (d) such Credit Party shall not make any changes in any of its business objectives, purposes, or operations which could reasonably be expected to adversely affect repayment of the Obligations or could reasonably be expected to have a Material Adverse Effect, or engage in any business other than that presently engaged in (or any business ancillary thereto) or proposed to be engaged in as set forth in the Projections delivered to Lender as of the Closing Date, except as permitted by Section 5.2(g) below, or amend its charter or by-laws or other organizational documents;
- (e) such Credit Party shall not create or permit any Lien on any of its properties or assets, except for Permitted Encumbrances;
- (f) such Credit Party shall not sell, transfer, convey, assign or otherwise dispose of any of its assets or properties, including its Accounts or any Shares or engage in any sale-leaseback, synthetic lease or similar transaction (provided, that the foregoing shall not in any event prohibit the disposition of (i) Inventory in the ordinary course of business, (ii) property between Credit Parties (provided the Lender's Lien therein is not adversely impacted), (iii) worn-out, obsolete, surplus, or unnecessary Equipment which is not Eligible Equipment, (iv) dispositions of assets or properties the fair market value of which does not exceed \$1,000,000 in the aggregate in any fiscal year and the net proceeds of which are (a) reinvested in the business of Credit Parties within sixty (60) days of receipt thereof or (b) applied as a permanent prepayment of the Term Loan (or if the Term Loan has been fully repaid, the Revolving Credit Loan) unless a Default or Event of Default has occurred and is continuing or (v) any assets or properties as consented to by the Lender from time to time);

- (g) such Credit Party shall not change its name, chief executive office, corporate offices, warehouses or other Collateral locations, or location of its records concerning the Collateral, or acquire, lease or use any real estate after the Closing Date without such Person, in each instance, giving thirty (30) days prior written notice thereof to Lender and taking all actions deemed necessary or appropriate by Lender to continuously protect and perfect Lender's Liens upon the Collateral;
- (h) such Credit Party shall not establish or permit to exist any depository or other bank account of any kind with any financial institution (other than the accounts set forth on Attachment 1 to Schedule C) without Lender's prior written consent;
- (i) such Credit Party shall not make or permit any Restricted Payment other than a Permitted Restricted Payment;
- (j) such Credit Party shall not cause or permit any member of the ERISA Group to:
 - (i) fail to satisfy the minimum funding requirements of ERISA and the Code with respect to any Plan;
 - (ii) request a minimum funding waiver from the U.S. Internal Revenue Service with respect to any Plan;
 - (iii) engage in a Prohibited Transaction with any Plan, Benefit Arrangement or Multiemployer Plan;
 - (iv) permit the aggregate actuarial present value of all benefit liabilities (whether or not vested) under each Plan, determined on a plan termination basis, as disclosed in the most recent actuarial report completed with respect to such Plan, to materially exceed, as of any actuarial valuation date, the fair market value of the assets of such Plan;
 - (v) fail to make when due any contribution to any Multiemployer Plan that any Credit Party or any member of the ERISA Group may be required to make under any agreement relating to such Multiemployer Plan, or any Applicable Law pertaining thereto;
 - (vi) withdraw (completely or partially) from any Multiemployer Plan or withdraw (or be deemed under Section 4062(e) of ERISA to withdraw) from any Multiple Employer Plan, where any such withdrawal is likely to result in a material liability of any Credit Party or any member of the ERISA Group;
 - (vii) terminate, or institute proceedings to terminate, any Plan, where such termination is likely to result in a material liability to any Credit Party or any member of the ERISA Group;
 - (viii) make any amendment to any Plan with respect to which security is required under Section 307 of ERISA (or, for plan years beginning after 2007, Section 206(g)(5) of ERISA); or
 - (ix) fail to give any and all material notices and make all material disclosures and governmental filings required under ERISA or the Code; and
- (k) no Credit Party shall request any Loan, and each Credit Party shall not use, and shall ensure that its subsidiaries and Affiliates, and its or their respective directors, officers, employees and agents not use, the proceeds of any Loan, directly or indirectly; (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws;

(ii) to fund, finance or facilitate any activities, business or transaction of or with any Sanctioned Person, or (iii) in any other manner that would result in the material violation of any Sanctions applicable to any party hereto.

SECTION 6 – LENDER'S RIGHTS

6.1 Lender's Rights

- (a) Lender may: (i) at any time provided notice is given to Borrower, in Lender's own name, or, from and after the occurrence of and during the continuance of a Default or Event of Default, in the name of Borrower, communicate with Account Debtors, parties to Contracts, and obligors in respect of Instruments, Chattel Paper or other Collateral to verify to Lender's satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper or other Collateral; and (ii) at any time with prior notice to Borrower or any other Credit Party, and at any time after the occurrence of and during the continuance of a Default or Event of Default, without such prior notice, notify Account Debtors, parties to Contracts, and obligors in respect of Chattel Paper, Instruments, or other Collateral that the Collateral has been assigned to or is subject to Liens in favour of Lender and that payments shall be made directly to Lender. Upon the request of Lender, Borrower shall so notify such Account Debtors, parties to Contracts, and obligors in respect of Instruments, Chattel Paper or other Collateral. Upon the occurrence and during the continuance of an Event of Default, Borrower hereby constitutes Lender or Lender's designee as Borrower's legal attorney, agent and mandatary with power to endorse Borrower's name upon any notes, acceptance drafts, money orders or other evidences of payment or Collateral.
- (b) Borrower shall remain liable under each Contract, Instrument and License to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and Lender shall have no obligation or liability whatsoever to any Person under any Contract, Instrument or License (between Borrower or any other Credit Party and any Person other than Lender) by reason of or arising out of the execution, delivery or performance of this Agreement or other Loan Documents, and Lender shall not be required or obligated in any manner: (i) to perform or fulfill any of the obligations of Borrower or the other Credit Parties; (ii) to make any payment or inquiry; or (iii) to take any action of any kind to collect, compromise or enforce any performance or the payment of any amounts which may have been assigned to it and/or which is the object of any Liens in favour or to which it may be entitled at any time or times under or pursuant to any Contract, Instrument or License.
- (c) Borrower and each other Credit Party shall:
- (i) provide Lender with access to each owned, leased, or controlled property during normal business hours upon reasonable (and in any event not less than 24 hours) prior notice to allow Lender to verify the existence, state and value of the Collateral, provided that if a Default or Event of Default shall have occurred and be continuing, no such notice shall be required;
 - (ii) provide access to any of its officers, employees and agents (provided that Borrower's CFO shall be notified of any such communications and the nature thereof);
 - (iii) permit Lender and any of its officers, employees and agents to inspect, audit and make extracts and copies (or take originals if reasonably necessary) from all of Borrower's and such Credit Party's Books and Records; and
 - (iv) permit Lender to inspect, review, verify, evaluate and make physical verifications and appraisals of the Inventory and other Collateral in any manner and through

any medium that Lender, acting reasonably, considers necessary or advisable (a "**Field Examination**"), and Borrower and such Credit Party agree to render to Lender, at Borrower's and such Credit Party's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. Without limiting the generality of the foregoing, Lender shall be entitled to conduct not more than four (4) Field Examinations per year in respect of each Credit Party Facility, two (2) property, plant and equipment appraisal in respect of each Credit Party Facility per year (which shall be required prior to any Advances based on In Place Appraised Value), and two (2) inventory appraisals per year, provided that there shall be no limit on the number of Field Examinations or inventory appraisals if an Event of Default has occurred and is continuing. For certainty, Borrower may, at its own expense, conduct a property, plant and equipment appraisal in respect of each of Credit Party Facility using a Lender-approved appraiser at any time from time to time for the purposes of determining the Borrowing Base.

- (d) After the occurrence and during the continuance of a Default, Borrower, at its own expense, shall cause its auditors or any appraiser selected by Lender to deliver to Lender the results of any physical verifications of all or any portion of the Inventory made or observed by such auditors or appraisers when and if such verification is conducted. Lender shall be permitted to observe and consult with Borrower's accountants or appraisers in the performance of these tasks.

SECTION 7 – EVENTS OF DEFAULT, RIGHTS AND REMEDIES

7.1 Events of Default

The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "**Event of Default**" hereunder which shall be deemed to be continuing unless and until waived in writing by Lender in accordance with Section 8.3:

- (a) Borrower shall fail to make any payment in respect of any Obligations when due and payable or declared due and payable, provided that in the case of the failure to pay Obligations other than any principal amount under either Loan, such default continues for a period of three (3) Business Days; or
- (b) (i) any default occurs in the observance or performance of any of the covenants or agreements contained in any of Sections 3.17, 4.1, 4.2, 5.1, or 5.2 of this Agreement, (ii) any reporting error or default occurs in the observance or performance of any of the covenants or agreements contained in Section 3.18 and such default shall continue for five (5) days or more after the occurrence thereof; or (iii) any default occurs in the observance or performance of any of the other covenants or agreements contained in any other Section of this Agreement or any other Loan Document to which any Credit Party and Lender are party and such default shall continue for fifteen (15) days or more after the occurrence thereof; or
- (c) (A) any Material Contract terminates, expires or ceases to be legal, valid, binding and enforceable other than at the end of its term, or to the extent replaced by an agreement on terms not substantially less favourable to the Credit Party or (B) if a Credit Party breaches a Material Contract or (C) an event of default shall occur under any Contractual Obligation of Borrower or any other Credit Party (other than this Agreement and the other Loan Documents), and such breach or event of default under the foregoing clauses (B) and (C) either: (i) involves the failure by a Credit Party to make any payment (whether or not such payment is blocked pursuant to the terms of an intercreditor agreement or otherwise), whether of principal, interest or otherwise, and whether due by scheduled maturity, required prepayment, acceleration, demand or otherwise, in respect of any Indebtedness (other than the Obligations) of such Person in an aggregate amount exceeding the Minimum Actionable Amount or which results in the acceleration of any debt exceeding the

Minimum Actionable Amount unless subject to a Permitted Contest; or (ii) causes (or permits any holder of such Indebtedness or a trustee to cause) such Indebtedness, or a portion thereof, in an aggregate amount exceeding the Minimum Actionable Amount to become due prior to its stated maturity or prior to its regularly scheduled date of payment; or

- (d) any representation or warranty in this Agreement or any other Loan Document, or in any written statement pursuant hereto or thereto, or in any report, financial statement or certificate made or delivered to Lender by Borrower or any other Credit Party shall be untrue or incorrect as of the date when made or deemed made, regardless of whether such breach involves a representation or warranty with respect to a Credit Party that has not signed this Agreement, and such representation or warranty remains untrue or incorrect for a period of ten (10) days after the date on which such representation or warranty is initially made or deemed to be made; or
- (e) there shall be commenced against Borrower or any other Credit Party any litigation seeking or effecting any seizure (whether in execution or otherwise), attachment, execution, distraint or similar process against all or any substantial part of its assets which remain unreleased or undismissed for thirty (30) consecutive days, unless within such thirty (30) days, any seizure or taking possession of any property of such Credit Party shall have occurred; or any creditor (other than Lender) takes possession of all or any substantial part of the assets of Borrower or any other Credit Party; or any creditor (other than Lender) enforces or gives notice of its intention to enforce or gives prior notice with respect to the exercise of any of its hypothecary or other rights under any Liens granted to it by or over any assets of Borrower or any other Credit Party; or any custodian, receiver, interim receiver, liquidator, assignee, trustee, monitor, sequestrator or similar official is appointed in respect of Borrower or any other Credit Party or takes possession of all or any substantial part of the assets of Borrower or any other Credit Party or Borrower or any other Credit Party commits an "act of bankruptcy" (as defined under the relevant provisions of the BIA), becomes insolvent or shall have concealed, removed or permitted to be concealed or removed, any part of its property with intent to hinder, delay or defraud any of its creditors or make or suffer a transfer of any of its property or the incurring of an obligation which may be fraudulent, reviewable or the object of any proceedings under any applicable bankruptcy or insolvency legislation, creditor protection legislation or other similar Applicable Laws; or
- (f) a petition, proposal, notice of intention to file a proposal, case or proceeding shall have been commenced involuntarily against Borrower or any other Credit Party in a court having competent jurisdiction seeking a declaration, judgment, decree, order or other relief: (i) under the BIA, CCAA or any other applicable federal, provincial, state or foreign bankruptcy or other Applicable Law providing for suspension of operations or reorganization of debts or relief of debtors, and seeking either (x) the appointment of a custodian, receiver, interim receiver, liquidator, assignee, trustee, monitor or sequestrator (or similar official) for such Person or of any substantial part of its properties, or (y) the reorganization or winding-up or liquidation of the affairs of any such Person, and such proposal, case or proceeding shall remain undismissed or unstayed for thirty (30) consecutive days or such court shall enter a declaration, judgment, decree or order granting the relief sought in such case or proceeding; or (ii) invalidating or denying any Person's right, power, or competence to enter into or perform any of its obligations under any Loan Document or invalidating or denying the validity or enforceability of this Agreement or any other Loan Document or any action taken hereunder or thereunder; or
- (g) Borrower or any other Credit Party shall: (i) commence any petition, proposal, notice of intention to file a proposal, case, proceeding or other action under any existing or future Applicable Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, suspension of operations, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it or seeking appointment of a custodian,

receiver, liquidator, assignee, trustee or sequestrator (or similar official) for it or any substantial part of its properties; (ii) make a general assignment for the benefit of creditors; (iii) consent to or take any action in furtherance of, or, indicating its consent to, approval of, or acquiescence in, any of the acts set forth in paragraphs (e) or (f) of this Section 7.1 or clauses (i) or (ii) of this paragraph (g); or (iv) shall admit in writing its inability to, or shall be generally unable to, pay its debts as such debts become due; or

- (h) a final judgment or judgments for the payment of money in excess of the Minimum Actionable Amount in the aggregate shall be rendered against Borrower or any other Credit Party, unless the same shall be: (i) fully covered by insurance and the issuer(s) of the applicable insurance policies shall have acknowledged full coverage in writing within fifteen (15) days of judgment; or (ii) vacated, stayed, bonded, paid or discharged within a period of fifteen (15) days from the date of such judgment, unless within such fifteen (15) days, any seizure or taking possession of the property of such Credit Party shall have occurred; or
- (i) any other event shall have occurred which has had or could reasonably be expected to have a Material Adverse Effect; or
- (j) any material provision of any Loan Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms, or any Lien granted, or intended by the Loan Documents to be granted, to Lender shall cease to be a valid and perfected Lien having the first priority (or a lesser priority if expressly permitted in the Loan Documents) in any of the Collateral (or any Credit Party shall so assert any of the foregoing); or
- (k) a Change of Control shall have occurred; or
- (l) a Pension Event shall have occurred that, in the opinion of Lender, could give rise to a Material Adverse Effect or could result in any Lien or any liability on the part of any Credit Party in either case in an aggregate amount exceeding the Minimum Actionable Amount.

7.2 Remedies

- (a) If any Default shall have occurred and be continuing, then Lender may terminate or suspend its obligation to make further Advances and to incur additional other Obligations. In addition, if any Event of Default shall have occurred and be continuing, Lender may, without notice, take any one or more of the following actions: (i) declare all or any portion of the Obligations to be forthwith due and payable, whereupon such Obligations shall become and be due and payable; or (ii) exercise any rights and remedies provided to Lender under the Loan Documents or at law or equity, including all remedies provided under the PPSA; provided, that upon the occurrence of any Event of Default specified in Sections 7.1(e), 7.1(f) or 7.1(g), the Obligations shall become immediately due and payable (and any obligation of Lender to make further Loans, if not previously terminated, shall immediately be terminated) without declaration, notice or demand by Lender.
- (b) Without limiting the generality of the foregoing, Borrower and each other Credit Party executing this Agreement expressly agrees that upon the occurrence of any Event of Default, Lender may collect, receive, assemble, process, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Lender shall have the right upon any such public sale, to the extent permitted by Applicable Law, to purchase for the benefit of Lender the whole or any part of said Collateral so sold, free of any right of equity of redemption, which right Borrower and each other Credit Party executing this Agreement hereby releases. Such sales may be adjourned or continued from time to time with or without notice. Lender

shall have the right to conduct such sales on any Credit Party's premises or elsewhere and shall have the right to use any Credit Party's premises without rent or other charge for such sales or other action with respect to the Collateral for such time as Lender deems necessary or advisable.

- (c) Upon the occurrence and during the continuance of an Event of Default and at Lender's request, Borrower and each other Credit Party executing this Agreement further agrees to assemble the Collateral and make it available to Lender at places which Lender shall reasonably select, whether at its premises or elsewhere. Until Lender is able to effect a sale, lease, or other disposition of the Collateral, Lender shall have the right to complete, assemble, use or operate the Collateral or any part thereof, to the extent that Lender deems appropriate, for the purpose of preserving such Collateral or its value or for any other purpose. Lender shall have no obligation to any Credit Party to maintain or preserve the rights of any Credit Party as against third parties with respect to any Collateral while such Collateral is in the possession of Lender. Lender may, if it so elects, seek the appointment of a receiver or receiver manager to take possession of any Collateral and to enforce any of Lender's remedies with respect thereto without prior notice or hearing. To the maximum extent permitted by Applicable Law, Borrower and each other Credit Party executing this Agreement waives all claims, damages, and demands against Lender, its Affiliates, agents, and the officers and employees of any of them arising out of the repossession, retention or sale of any Collateral except such as are determined in a final judgment by a court of competent jurisdiction to have arisen solely out of the gross negligence or wilful misconduct of such Person. Borrower and each other Credit Party executing this Agreement agrees that ten (10) days prior notice by Lender to such Credit Party of the time and place of any public sale or of the time after which a private sale may take place is reasonable notification of such matters. Borrower and each other Credit Party shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Lender is entitled.
- (d) Lender's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies which Lender may have under any Loan Document or at law or in equity. Recourse to the Collateral shall not be required. All provisions of this Agreement are intended to be subject to all applicable mandatory provisions of Applicable Law that may be controlling and to be limited, to the extent necessary, so that they do not render this Agreement invalid or unenforceable, in whole or in part.

7.3 Waivers by Credit Parties

Except as otherwise provided for in this Agreement and to the fullest extent permitted by Applicable Law, Borrower and each other Credit Party executing this Agreement waives: (a) presentment, demand and protest, and notice of presentment, dishonour, intent to accelerate, acceleration, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all Loan Documents, commercial paper, Accounts, Contracts, Documents, Instruments, Chattel Paper and guarantees at any time held by Lender on which such Credit Party may in any way be liable, and hereby ratifies and confirms whatever Lender may do in this regard; (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, any Collateral or any bond or security which might be required by any court prior to allowing Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws. Borrower and each other Credit Party executing this Agreement acknowledges that it has been advised by counsel of its choices and decisions with respect to this Agreement, the other Loan Documents and the transactions evidenced hereby and thereby and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.

7.4 Proceeds

The Proceeds of any sale, disposition or other realization upon any Collateral shall be applied by Lender upon receipt to the Obligations in such order as Lender may deem advisable in its sole discretion and after

the indefeasible payment and satisfaction in full in cash of all of the Obligations, and after the payment by Lender of any other amount required by any provision of Applicable Law, the surplus, if any, shall be paid to Borrower or its representatives or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 8 – MISCELLANEOUS

8.1 Complete Agreement; Modification of Agreement

This Agreement and the other Loan Documents constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede all prior agreements, commitments, understandings or inducements (oral or written, expressed or implied). No Loan Document may be modified, altered or amended except by a written agreement signed by Lender and each other Credit Party that is a party to such Loan Document. Borrower and each other Credit Party executing this Agreement, or any other Loan Document shall have all duties and obligations under this Agreement and such other Loan Documents from the date of its execution and delivery, regardless of whether the initial Loan has been funded at that time.

8.2 Expenses

Borrower agrees to pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including the fees and expenses of all counsel, advisors, consultants (including environmental and management consultants), field examiners, appraisers and auditors retained in connection therewith), incurred in connection with: (a) the preparation, negotiation, execution, delivery, performance and enforcement of the Loan Documents and the preservation of any rights thereunder; (b) collection, including deficiency collections; (c) the forwarding to Borrower or any other Person on behalf of Borrower by Lender of the proceeds of any Loan; (d) any amendment, waiver or other modification with respect to any Loan Document or advice in connection with the administration of the Loans or the rights thereunder; (e) any litigation, dispute, suit, proceeding or action (whether instituted by or between any combination of Lender, Borrower or any other Person), and an appeal or review thereof, in any way relating to the Collateral, any Loan Document, or any action taken or any other agreements to be executed or delivered in connection therewith, whether as a party, witness or otherwise; and (f) any effort to: (i) monitor the Loans; (ii) evaluate, observe or assess Borrower or any other Credit Party or the affairs of such Person; and (iii) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of the Collateral. Without limiting the foregoing, Borrower will reimburse Lender for the costs (including reasonable out-of-pocket expenses plus applicable taxes) related to Field Examinations and inventory appraisals.

8.3 Non-North American Equipment

At any time from time to time prior to the Termination Date, the Borrower may request that the Lender agree to include Non-North American Equipment in the calculation of the Term Loan Borrowing Base and the Lender agrees that, if the inclusion of Non-North American Equipment in the Borrowing Base is determined by the Lender to be commercially reasonable, it shall negotiate in good faith with the Borrower an amendment to this Agreement (including, without limitation, the provisions hereof relating to the calculation of the Borrowing Base, the characteristics of Eligible Equipment, the Loan Documents required to effect Liens on such Non-North American Equipment and any other provision the Lender reasonably requires) on terms satisfactory to it to give effect to such request.

8.4 No Waiver

Neither Lender's failure, at any time, to require strict performance by Borrower or any other Credit Party of any provision of any Loan Document, nor Lender's failure to exercise, nor any delay in exercising, any right, power or privilege hereunder, shall operate as a waiver thereof or waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or future exercise thereof or the exercise of any other right, power or privilege. Any suspension or waiver of a Default or other provision under the Loan Documents shall not suspend, waive or affect any other Default or other provision under any Loan

Document, and shall not be construed as a bar to any right or remedy which Lender would otherwise have had on any future occasion. None of the undertakings, indemnities, agreements, warranties, covenants and representations of Borrower or any other Credit Party to Lender contained in any Loan Document and no Default by Borrower or any other Credit Party under any Loan Document shall be deemed to have been suspended or waived by Lender, unless such waiver or suspension is by an instrument in writing signed by an officer or other authorized employee of Lender and directed to Borrower specifying such suspension or waiver (and then such waiver shall be effective only to the extent therein expressly set forth), and Lender shall not, by any act (other than execution of a formal written waiver), delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder.

8.5 Severability; Section Titles

Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of any Loan Document shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of such Loan Document. Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under the Loan Documents shall in any way affect or impair the Obligations, duties, covenants, representations and warranties, indemnities, and liabilities of Borrower or any other Credit Party or the rights of Lender relating to any unpaid Obligation (due or not due, liquidated, contingent or unliquidated), or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is not required until after the Commitment Termination Date, all of which shall not terminate or expire, but rather shall survive such termination or cancellation and shall continue in full force and effect until the Termination Date; provided, that all indemnity obligations of the Credit Parties under the Loan Documents shall survive the Termination Date. The Section titles contained in any Loan Document are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

8.6 Authorized Signature

Until Lender shall be notified in writing by Borrower or any other Credit Party to the contrary, the signature upon any document or instrument delivered pursuant hereto and believed by Lender or any of Lender's officers, agents, or employees to be that of a Credit Party or of an officer of Borrower or such other Credit Party shall bind Borrower or such other Credit Party and be deemed to be the act of Borrower or such other Credit Party affixed pursuant to and in accordance with resolutions duly adopted by Borrower's or such other Credit Party's board of directors, and Lender shall be entitled to assume the authority of each signature and authority of the person whose signature it is or appears to be unless the person acting in reliance thereon shall have actual knowledge to the contrary.

8.7 Notices

Except as otherwise provided herein, whenever any notice, demand, request or other communication shall or may be given to or served upon any party by any other party, or whenever any party desires to give or serve upon any other party any communication with respect to this Agreement, each such communication shall be in writing and shall be deemed to have been validly served, given or delivered: (a) upon the earlier of actual receipt (or refusal thereof) and three (3) Business Days after deposit in the mail, registered or certified mail, return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by telecopy, e-mail or other electronic transmission (with such telecopy, e-mail promptly confirmed by delivery of a copy by personal delivery or mail as otherwise provided in this Section 8.7); (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when hand-delivered, all of which shall be addressed to the party to be notified and sent to the address indicated in Schedule B or to such other address as may be substituted by notice given as herein provided. Failure or delay in delivering copies of any such communication to any Person (other than Borrower or Lender) designated in Schedule B to receive copies shall in no way adversely affect the effectiveness of such communication.

8.8 Counterparts

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by a pdf attachment to an e-mail or by DocuSign or other similar electronic execution system) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

8.9 Assignments

This Agreement shall be binding upon and inure to the benefit of Lender, the Credit Parties and their respective heirs, executors, administrators, other legal representatives, successors and assigns. Neither this Agreement nor any interest in this Agreement may be assigned by Borrower or any other Credit Party without the prior written consent of Lender. Lender may assign or transfer or grant participations in its rights or obligations under this Agreement in whole or in part at any time without notice to or consent of the Credit Parties. Lender may disclose to potential or actual transferees or assignees or participants, any information regarding the Credit Parties as Lender considers necessary and the Credit Parties consent to such disclosure.

8.10 Time of the Essence

Time is of the essence for performance of the Obligations under the Loan Documents.

8.11 Governing Law

Except for Loan Documents expressed to be governed by the laws of another jurisdiction, the Loan Documents and the obligations arising under the Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the Province of **British Columbia** applicable to contracts made and performed in such province, without regard to the principles thereof regarding conflicts of laws, and any Applicable Laws.

8.12 Submission to Jurisdiction; Waiver of Jury Trial

- (a) Borrower and each other Credit Party executing this Agreement hereby consent and agree that the courts located in British Columbia shall have exclusive jurisdiction to hear and determine any claims or disputes between Borrower and such Credit Party and Lender pertaining to this Agreement or any of the other Loan Documents or to any matter arising out of or related to this Agreement or any of the other Loan Documents; that nothing in this Agreement shall be deemed or operate to preclude Lender from bringing suit or taking other legal action in any other jurisdiction to collect the Obligations, to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favour of Lender. Borrower and each other Credit Party executing this Agreement expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower and such Credit Party hereby waive any objection which they may have based upon lack of personal jurisdiction, improper venue or forum non conveniens. Borrower and each other Credit Party executing this Agreement hereby waive personal service of the summons, complaint and other process issued in any such action or suit and agree that service of such summons, complaint and other process may be made by registered or certified mail addressed to Borrower or such Credit Party at the address set forth in Schedule B of this Agreement and that service so made shall be deemed completed upon the earlier of Borrower's or such Credit Party's actual receipt thereof (or refusal) or three (3) Business Days after deposit in the mail, proper postage prepaid.
- (b) THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN LENDER, BORROWER AND ANY CREDIT PARTY ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.

8.13 Press Releases

Neither any Credit Party nor any of its Affiliates will in the future issue any press release or other public disclosure using the name of Waygar Capital Inc. or its affiliates or referring to this Agreement or the other Loan Documents without at least two (2) Business Days' prior notice to Lender and without the prior written consent of Lender unless (and only to the extent that) such Credit Party or Affiliate is required to do so under Applicable Law and then, in any event, such Credit Party or Affiliate will consult with Lender before issuing such press release or other public disclosure. Each Credit Party consents to the publication (in the ordinary course) by Lender of customary advertising material relating to the financing transactions contemplated by this Agreement using such Credit Party's name, product photographs, logos or trademarks. Such consent shall remain effective until revoked by such Credit Party in writing to Lender.

8.14 Reinstatement

This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment of all or any part of the Obligations is rescinded or must otherwise be returned or restored by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or any other Credit Party, or otherwise, all as though such payments had not been made.

8.15 Illegality

In the event that Lender determines that, in consequence of any change in any Requirement of Law or any policy applicable to it that it is illegal, unlawful or prohibited for it to make or continue to make any Loans or any other Obligations hereunder, it shall have the right to immediately terminate such Loans or other Obligations as it shall determine necessary or appropriate and to terminate any commitment to make or continue to make such Loans or other Obligations and/or to terminate its commitments hereunder and any of the Loan Documents as it shall determine necessary or appropriate.

8.16 Set Off and Survival

Without limitation to any other rights or remedies of Lender, Lender shall have the right at all times without notice to the Credit Parties (which notice is hereby waived to the maximum extent permitted by Applicable Law) to set off or apply against any Obligations now and hereafter owing (whether matured or contingent) any deposits at any time held by, or other indebtedness at any time owing by, Lender or any of its Affiliates to or for the credit or account of any Credit Party. All indemnities hereunder or under the other Loan Documents shall survive any termination of the Loan Documents unless expressly released in writing.

8.17 Increased Costs

If, by reason of: (a) any change in any Requirement of Law (including any change by way of imposition or increase of statutory reserves or other reserve requirements) or interpretation thereof; or (b) the compliance with any guideline or request from any government authority or other Person exercising control over lenders in Canada generally (whether or not having the force of law):

- (i) Lender shall be subject to any Tax with respect to any Loan or a change shall result in the basis of taxation of any payment to Lender with respect to its obligation to make or continue any Loan; or
- (ii) any reserve (including any imposed by the board of governors or any other applicable Governmental Authority), special deposits or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender shall be imposed or deemed applicable, or any other condition affecting Lender's obligation to make any Loans, shall be imposed on Lender,

and as a result there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Loans (except to the extent already included in determination of the rate of interest), or there shall be a reduction in the amount receivable by Lender, then Lender shall promptly notify Borrower of such

event, and Borrower shall, within five (5) Business Days following demand therefor, pay Lender the amount of such increased costs or reduced amounts.

If Lender determines that, because of circumstances described above or any other circumstances arising hereafter affecting such Lender the applicable interest rate will not adequately and fairly reflect the cost to Lender of funding Loans, then (A) Lender shall promptly notify Borrower of such event; and (B) Lender's obligation to fund Loans, shall be immediately suspended, until each condition giving rise to such suspension no longer exists.

Notwithstanding anything herein to the contrary, Borrower shall only be required to compensate Lender in respect of any such increased costs or reduction in the amount received or receivable by Lender to the extent Borrower has received a written request for such compensation within ninety (90) days after Lender has received actual notice of the occurrence of the relevant circumstance giving rise to such increased costs or reduction in the amount received or receivable by Lender.

8.18 Conflict

If any provision of this Agreement conflicts with and is incapable of being construed together with any other Loan Document, then the provisions of this Agreement shall prevail to the extent necessary to remove such conflict. If there is a representation, warranty, covenant, agreement or event of default contained in any Loan Document which is not contained herein, or vice versa, such additional provision shall not constitute a conflict.

8.19 Interpretation

- (a) Any accounting term used in this Agreement or the other Loan Documents shall have, unless otherwise specifically provided therein, the meaning customarily given such term in accordance with GAAP, and all financial computations thereunder shall be computed, unless otherwise specifically provided therein, in accordance with GAAP consistently applied; provided, that all financial covenants and calculations in the Loan Documents shall be made in accordance with GAAP as in effect on the Closing Date unless Borrower and Lender shall otherwise specifically agree in writing. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing.
- (b) All other undefined terms contained in this Agreement or the other Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the PPSA. The words "herein," "hereof" and "hereunder" or other words of similar import refer to this Agreement as a whole, including the exhibits and schedules thereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement.
- (c) For purposes of this Agreement and the other Loan Documents, the following additional rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural; (ii) the term "or" is not exclusive; (iii) the term "including" (or any form thereof) shall not be limiting or exclusive; (iv) all references to statutes, acts and related regulations shall include any amendments of same and any successor statutes and regulations; (v) all references to any instruments or agreements, including references to any of the Loan Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof; (vi) the specification of any Lien as a Permitted Encumbrance shall not constitute any postponement or subordination (or agreement to do so) of Lender's Liens; and (vii) all references to "\$" dollars or amounts of currency shall unless otherwise expressly provided mean lawful currency of Canada.

- (d) It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Il est la volonté expresse des parties que cette convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

SECTION 9 – SPECIAL PROVISIONS

9.1 Interest Act (Canada)

For the purposes of this Agreement, whenever interest or a fee to be paid hereunder is to be calculated on the basis of a year of three hundred and sixty (360) days, or any other period of time that is less than a calendar year, the yearly rate of interest or the yearly fee to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either three hundred and sixty (360) or such other period of time, as the case may be.

9.2 Excess Resulting from Exchange Rate Change

If at any time following one or more fluctuations in the exchange rate of the Canadian Dollar against the US Dollar (a) the Obligations exceed any limitations hereunder or (b) any part of the Obligations exceeds any limit set forth herein for such Obligations, Borrower shall within three (3) Business Days or, if an Event of Default has occurred and is continuing, immediately: (i) make the necessary payments or repayments to reduce such Obligations to an amount necessary to eliminate such excess; or (ii) maintain or cause to be maintained with Lender deposits in an amount equal to or greater than the amount of such excess, such deposits to be maintained in such form and upon such terms as are acceptable to Lender in its reasonable discretion. Without in any way limiting the foregoing provisions, Lender shall, weekly or more frequently in Lender's sole discretion, make the necessary exchange rate calculations (based upon the rate of exchange established by Lender as at noon on the date of determination) to determine whether any such excess exists on such date.

9.3 Judgment Currency

If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "**Original Currency**") into another currency (the "**Second Currency**"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, Lender could purchase in the Toronto foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Borrower agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date Lender receives payment of any sum so adjudged to be due hereunder in the Second Currency, Lender may, in accordance with normal banking procedures, purchase, in Toronto foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, Borrower agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify Lender against such loss. The term "rate of exchange" in this Section means the spot rate at which Lender, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

BORROWER:

THE VERY GOOD FOOD COMPANY INC.

DocuSigned by:
 Per: Kamini Hitkari
F559FD2612A0425...
 Name: Kamini Hitkari
 Title: Chief Financial Officer and
 Corporate Secretary

GUARANTORS:

1218169 B.C. LTD.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

1218158 B.C. LTD.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

THE VERY GOOD BUTCHERS INC.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

THE CULTURED NUT INC.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

BORROWER:

THE VERY GOOD FOOD COMPANY INC.

Per: _____
Name: Kamini Hitkari
Title: Chief Financial Officer and
Corporate Secretary

GUARANTORS:

1218169 B.C. LTD.

DocuSigned by:
Per: Mitchell Scott
B830F6458B48450...
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

1218158 B.C. LTD.

DocuSigned by:
Per: Mitchell Scott
B830F6458B48450...
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

THE VERY GOOD BUTCHERS INC.

DocuSigned by:
Per: Mitchell Scott
B830F6458B48450...
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

THE CULTURED NUT INC.

DocuSigned by:
Per: Mitchell Scott
B830F6458B48450...
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

LLOYD JAMES MARKETING INC.

DocuSigned by:
Mitchell Scott
Per: _____
BB30E6458B48450

Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

VGFC HOLDINGS LLC

DocuSigned by:
Mitchell Scott
Per: _____
BB30E6458B48450

Name: Mitchell Scott
Title: Manager

LENDER:

**WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

Per: _____
Name:
Title:

LLOYD-JAMES MARKETING INC.

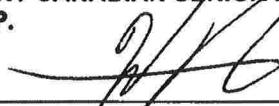
Per: _____
Name:
Title:

VGFC HOLDINGS LLC

Per: _____
Name:
Title:

LENDER:

**WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

Per:  _____
Name:
Title: **Wayne R. Ehgoetz
President & CEO**



SCHEDULE A

DEFINITIONS

Capitalized terms used in this Agreement and the other Loan Documents shall have (unless otherwise provided elsewhere in this Agreement or in the other Loan Documents) the following respective meanings:

"Account Debtor" shall mean any Person who is or may become obligated with respect to, or on account of, an Account.

"Accounts" shall mean all "accounts," as such term is defined in the PPSA and includes any right of any Person to payment for goods sold or leased or for services rendered, whether or not it has been earned by performance, now owned or hereafter acquired by any Person, including: (a) all accounts receivable, other receivables, book debts and other forms of obligations whether arising out of goods sold or leased or services rendered or from any other transaction whatsoever (including any contract rights); (b) all of such Person's rights in, to and under all purchase orders or receipts for goods or services; (c) all of such Person's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation, stoppage in transit, repossession rights under any Applicable Law including those under Section 81.1 of the BIA, and rights to returned, claimed or repossessed goods); (d) all monies due or to become due to such Person under all purchase orders and contracts for the sale or lease of goods or the performance of services or both by such Person or in connection with any other transaction (whether or not yet earned by performance on the part of such Person), including the right to receive the proceeds of said purchase orders and contracts; and (e) all collateral security and guarantees of any kind given by any other Person with respect to any of the foregoing.

"Activation Notice" shall have the meaning assigned it in Schedule C.

"Acquisition" shall mean, with respect to any Person, any purchase or other acquisition, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (a) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of Shares in, such other Person) such that such other Person becomes a Subsidiary of the purchaser or of any of its Affiliates, (b) all or substantially all of the Property of any other Person, or (c) all or any material portion of all of any division, business, or operation or undertaking of any other Person as a going concern.

"Advances" shall mean, collectively, Revolving Credit Advances and Term Loan Advances, and "Advance" shall mean any Revolving Credit Advance or Term Loan Advance.

"Affiliate" shall mean, with respect to a Person: (a) each other Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the Shares having ordinary voting power for the election of directors of such Person; (b) each other Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person; or (c) each of such Person's officers, directors (or person having a similar function), joint venturers and partners. For the purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Agreement including all appendices, exhibits or schedules attached or otherwise identified thereto, restatements and modifications and supplements thereto, and any appendices, exhibits or schedules to any of the foregoing, each as in effect at the time such reference becomes operative; provided, that except as specifically set forth in this Agreement, any reference to the Disclosure Schedules to this Agreement shall be deemed a reference to the Disclosure Schedules as in effect on the Closing Date or in a written amendment thereto executed by Borrower and Lender.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to a Credit Party or any of their subsidiaries from time to time concerning or relating to bribery or corruption.

"Anti-Money Laundering Laws" means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to a Credit Party related to terrorism financing or money laundering, including any applicable provision of the Patriot Act.

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, state, municipal, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.

"Appraisal Fees" shall have the meaning assigned to it in Schedule D.

"Authorized Officer" shall mean the president, chief financial officer, chief executive officer or such other officer or signatory of Borrower (as may be appointed by corporate resolution, in writing) as is acceptable to Lender.

"Availability Reserves" shall have the meaning assigned to it in the definition of Borrowing Base.

"Benefit Arrangement" shall mean at any time an "employee benefit plan", within the meaning of Section 3(3) of ERISA, which is neither a Plan nor a Multiemployer Plan and which is maintained, sponsored or otherwise contributed to by any member of the ERISA Group.

"BIA" shall mean the *Bankruptcy and Insolvency Act* (Canada), and any successor act or statute, as in effect from time to time or at any time.

"Blocked Account Banks" shall mean Royal Bank of Canada.

"Blocked Accounts" shall mean each of the bank accounts of the Borrower and each other Credit Party that will be established and maintained, at its sole expense, with the Blocked Account Banks into which the Borrower and each other Credit Party will promptly deposit, or direct, all proceeds or funds arising from its operations.

"Blocked Accounts Agreement" shall have the meaning assigned it in Schedule C.

"Books and Records" shall mean all books, records, board minutes, contracts, licenses, insurance policies, environmental audits, business plans, files, computer files, computer discs and other data and software storage and media devices, accounting books and records, financial statements (actual and pro forma), filings with Governmental Authorities and any and all records and instruments relating to the Collateral or Borrower's or any other Credit Party's business.

"Borrower" shall mean the Person identified as such in the preamble of this Agreement and includes its successors.

"Borrowing Availability" shall mean, at any time: (a) in the case of the Revolving Credit Loan, the lesser of: (i) the then current Maximum Amount applicable to the Revolving Credit Loan; and (ii) the Revolving Credit Loan Borrowing Base; and (b) in the case of the Term Loan, the lesser of: (i) the Maximum Amount applicable to the Term Loan; and (ii) the Term Loan Borrowing Base.

"Borrowing Base" shall mean at any time an amount equal to the sum at such time of:

- (a) the lesser of:
 - (i) the sum of:
 - (A) eighty-five percent (85%) of Eligible Accounts (other than Eligible Investment Grade or Insured Accounts) and ninety percent (90%) of Eligible Investment Grade or Insured Accounts, plus

(B) the sum of: (1) eighty-five percent (85%) of the Net Orderly Liquidation Value of Eligible Inventory; plus, (2) without duplication of any amounts advanced pursuant to Subsection (a)(i)(B)(1), sixty-five percent (65%) of the lower of sale price or cost of Eligible Inventory, up to a maximum amount of \$3,000,000; and

(ii) the Maximum Amount applicable to the Revolving Credit Loan;

plus

(b) the lesser of:

(i) either: (A) eighty-five percent (85%) of the Net Orderly Liquidation Value of Eligible Equipment; or (B) after a Credit Party Facility has been completed and the Lender has agreed in writing, eighty-five percent (85%) of the In Place Appraised Value of the applicable Credit Party Facility (provided that, for certainty, any Equipment at the applicable Credit Party Facility shall no longer be considered Eligible Equipment for the purposes of this Subsection (b)(i)); and

(ii) the Maximum Amount applicable to the Term Loan,

less

(c) reserves (collectively, "**Availability Reserves**"), established by Lender from time to time in its good faith discretion, acting reasonably, for any amounts accrued or payable by the Credit Parties which under any Applicable Law, statute or regulation of any jurisdiction which may rank prior to or *pari passu* with any of Liens granted under the Loan Documents or otherwise in priority to any claim by Lender for payment or repayment of any amounts owing under this Agreement or the other Loan Documents, including, without limitation, (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) Plan contributions; (iv) amounts required to be withheld from payments to employees or other Persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee employment insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer employment insurance premiums; (v) federal goods and services tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes (except to the extent that any such taxes have been waived pursuant to settlement arrangements); (ix) rent, payments to warehouseman or bailees and other amounts due and payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable Lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the *Bankruptcy and Insolvency Act* (Canada); (xii) WEPPA Claims; and (xiii) a dilution reserve if the dilution rate in respect of Accounts is greater than 5%, with such dilution reserve being in an amount equal to the amount of dilution exceeding 5% until such time as that dilution is reduced, as determined by a Field Examination conducted by a third party acceptable to Lender.

"**Borrowing Base Certificate**" shall mean a certificate in the form of Exhibit C.

"**Business Day**" shall mean any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in Toronto, Ontario or Vancouver, British Columbia.

"**Canadian Dollar Interest Rate**" shall mean 9.95% per annum.

"**Canadian Dollars**", "**CAD\$**" or "**\$**" shall mean the lawful currency of Canada.

“Capital Expenditures” shall mean all payments or accruals (including Capital Lease Obligations) for any fixed assets or improvements or for replacements, substitutions or additions thereto, that have a useful life of more than one year and that are required to be capitalized under GAAP.

“Capital Lease” shall mean, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, either would be required to be classified and accounted for as a capital lease on a balance sheet of such Person or otherwise would be disclosed as such in a note to such balance sheet, other than, in the case of Borrower or any Credit Party, any such lease under which Borrower is the lessor.

“Capital Lease Obligation” shall mean, with respect to any Capital Lease, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease or otherwise be disclosed in a note to such balance sheet.

“Cash Coverage Ratio” shall mean the ratio of the following: (a) cash of the Credit Parties on hand as at the end of each Fiscal Quarter; to (b) (i) at the end of each Fiscal Quarter prior to the one (1) year anniversary of the Closing Date, Interest Expense of the Credit Parties during the most recent Fiscal Quarter multiplied by four (4), and (ii) at the end of each Fiscal Quarter from and after the one (1) year anniversary of the Closing Date, Interest Expense of the Credit Parties during for the immediately preceding four (4) Fiscal Quarter.

“CCAA” shall mean the *Companies’ Creditors Arrangement Act* (Canada) and any successor legislation thereto, as in effect from time to time or at any time.

“Change of Control” shall mean: (a) with respect to any Corporate Credit Party (other than the Borrower) on or after the Closing Date, any change to the legal or organizational structure of any Corporate Credit Party (other than the Borrower) or any change in the composition of its Shareholders as of the Closing Date shall occur which would result in the Borrower owning (directly or indirectly) less than 100% of any class of Shares of such Corporate Credit Party (other than the Borrower), or that any Person (or group of Persons acting in concert) shall otherwise acquire, directly or indirectly (including through Affiliates), the power to elect a majority of the board of directors of such Corporate Credit Party (other than the Borrower) or otherwise direct the management or affairs of such Corporate Credit Party (other than the Borrower) by obtaining proxies, entering into voting agreements or trusts, acquiring securities or otherwise; and (b) with respect to the Borrower, on or after the Closing Date, any change to the legal or organizational structure of the Borrower or any change in the composition of its Shareholders as of the Closing Date shall occur which would result in a Person owning 20% or more of any class of Shares of the Borrower, or that any Person (or group of Persons acting in concert) shall otherwise acquire, directly or indirectly (including through Affiliates), the power to elect a majority of the board of directors of the Borrower or otherwise direct the management or affairs of the Borrower by obtaining proxies, entering into voting agreements or trusts, acquiring securities or otherwise.

“Charges” shall mean all federal, provincial, state, county, city, municipal, local, foreign or other governmental or quasi-governmental taxes, levies, customs or other duties, assessments, charges, liens, and all additional charges, interest, penalties, expenses, claims or encumbrances upon or relating to: (a) the Collateral; (b) the Obligations; (c) the employees, payroll, income or gross receipts of any Credit Party; (d) the ownership or use of any assets by any Credit Party; or (e) any other aspect of any Credit Party’s business as well as any and all amounts at any time due and payable by any Credit Party to and/or in respect of any Plan (whether as a result of under-funding or otherwise).

“Chattel Paper” shall mean a writing or writings which evidence both a monetary obligation and a security interest in or lease of specific goods, but a charter or other contract involving the use or hire of a vessel is not Chattel Paper. When a transaction is evidenced by both such a security agreement or a lease and by an instrument or a series of instruments, the group of writings then together constitutes Chattel Paper.

“Clearance Costs” shall mean any and all amounts in respect of the purchase and transportation of such Inventory or Equipment, as applicable, including duty, freight, brokerage fees, insurance and other similar costs, other than the purchase price.

"Closing Date" shall mean the Business Day on which the conditions precedent set forth in Section 2 – have been satisfied or waived in writing by Lender and the initial Loan has been made.

"Code" means the *Internal Revenue Code* of 1986 of the United States, as amended from time to time, and any successor statute and the rules and regulations promulgated thereunder.

"Collateral" shall mean all of the property and assets of each Credit Party, tangible or intangible, and whether now owned or hereafter acquired, or in which it now has or at any time in the future may acquire any right, title, or interest, including all of the following property in which it now has or at any time in the future may acquire any right, title or interest: all Accounts; all bank and deposit accounts and all funds on deposit therein; all cash and cash equivalents; all commodity contracts; all investments, Shares and Investment Property; all Inventory and Equipment; all Goods; all Chattel Paper, Documents and Instruments; all Books and Records; all Intangibles; and to the extent not otherwise included, all Proceeds and products of all and any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing, but excluding in all events Hazardous Waste, together with any other collateral pledged to Lender or in respect of which Lender may acquire any Lien pursuant to each other Loan Document.

"Collateral Monitoring Fee" shall have the meaning assigned to it in Schedule D.

"Commitment Termination Date" shall mean the earlier of: (a) the Maturity Date; and (b) the date Lender's obligation to advance funds, or otherwise extend or continue any credit hereunder is otherwise terminated pursuant to the terms hereof.

"Compliance Certificate" shall mean a certificate in the form of Exhibit D.

"Contracts" shall mean all the contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which any Person may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

"Contractual Obligation" shall mean as to any Person, any provision of any security issued by such Person or of any agreement, instrument, or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Copyright License" shall mean rights under any written agreement now owned or hereafter acquired by any Person granting the right to use any Copyright or Copyright registration.

"Copyrights" shall mean all of the following now owned or hereafter acquired by any Person: (a) all copyrights in any original work of authorship fixed in any tangible medium of expression, now known or later developed, all registrations and applications for registration of any such copyrights in the United States, Canada or any other country, including registrations, recordings and applications, and supplemental registrations, recordings, and applications in the United States Copyright Office or in the applicable office in Canada; and (b) all Proceeds of the foregoing, including license royalties and proceeds of infringement suits, the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof.

"Credit Party Facilities" means, collectively, the Rupert Facility, the Patterson Facility and any of the Credit Parties' other facilities from time to time.

"Credit Party" shall mean Borrower and each Guarantor.

"Default" shall mean the occurrence of any Event of Default or event which, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

"Default Rate" shall have the meaning assigned to it in Section 1.5(d).

"Disbursement Accounts" shall have the meaning assigned to it in Schedule C.

"Documents" shall mean all documents of title (as defined in PPSA), now owned or hereafter acquired by any Person, wherever located, including all bills of lading, dock warrants, dock receipts, warehouse receipts, and other documents of title, whether negotiable or non-negotiable.

"EBITDA" shall mean, for any period, the Net Income (Loss) for such period plus interest expense, unrealized foreign exchange losses, income tax expense, amortization expense, depreciation expense, and minus unrealized foreign exchange gains, for such period, determined in accordance with GAAP and to the extent included in the determination of such Net Income (Loss).

"Eligible Accounts" shall mean as at the date of determination, all Accounts of Credit Parties except any Account:

- (a) that does not arise from the sale of goods or the performance of services by Borrower in the ordinary course of Borrower's business;
- (b) upon which: (i) Borrower's right to receive payment is not absolute or is contingent upon the fulfillment of any condition whatsoever; or (ii) Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process;
- (c) to the extent of any concessions, offsets, deductions, contras, returns, chargebacks or understandings with the Account Debtor therein that in any way could reasonably be expected to adversely affect the payment of, or the amount of, such Account;
- (d) with respect to which an invoice, acceptable to Lender in form and substance, has not been sent to the account of the debtor;
- (e) that is not owned by Borrower or is subject to any right, claim, or interest of another Person, other than Permitted Encumbrances which are in favour of Lender or have been subordinated on terms satisfactory to Lender to Liens in favour of Lender or which otherwise rank in priority behind the Liens in favour of Lender;
- (f) that arises from a sale to or performance of services for an employee, Affiliate, Subsidiary or Shareholder of Borrower or any other Credit Party, or an entity which has common officers or directors with Borrower or any other Credit Party;
- (g) that is the obligation of an Account Debtor that is the federal, state or provincial government or a political subdivision thereof, unless Lender has agreed to the contrary in writing;
- (h) that is the obligation of an Account Debtor located other than in Canada or the continental United States unless such Account is supported by a letter of credit in which Lender has a first priority perfected security interest and Lien by possession or credit insurance acceptable to Lender (and naming Lender as loss payee);
- (i) that is the obligation of an Account Debtor to whom Borrower is or may become liable for goods sold or services rendered by the Account Debtor to Borrower, to the extent of Borrower's liability to such Account Debtor;
- (j) that arises with respect to goods which are delivered on a cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor may be conditional;
- (k) that is an obligation for which the total unpaid Accounts, other than Eligible Investment Grade or Insured Accounts, of the Account Debtor exceed 10% of the aggregate of all gross Accounts as related to accounts receivable (excluding any inter-company accounts receivable), but only to the extent of such excess;

- (l) that is not paid within sixty (60) days from its due date or ninety (90) days from its invoice date or that are Accounts of an Account Debtor if 25% or more of the Accounts owing from such Account Debtor remain unpaid within such time periods
- (m) that has a due date of more than sixty (60) days from its invoice date;
- (n) that is an obligation of an Account Debtor that has suspended business, made a general assignment for the benefit of creditors, is unable to pay its debts as they become due or as to which a petition has been filed (voluntary or involuntary) under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (o) that arises from any bill-and-hold or other sale of goods which remain in Borrower's possession or under Borrower's control;
- (p) as to which Lender's interest therein is not a first priority perfected security interest and Lien;
- (q) to the extent that such Account exceeds any credit limit established by Lender in Lender's good faith discretion;
- (r) as to which any of Borrower's representations or warranties pertaining to Accounts are untrue;
- (s) that represents interest payments, late or finance charges, or service charges owing to Borrower;
- (t) with respect to which the Account Debtor is located in any state of the United States or province of Canada which requires the filing of a Notice of Business Activities Report or registration or licensing to carry on business or similar report, registration or licensing in order to permit Borrower to seek judicial enforcement in such state of the United States or province of Canada of payment of such Account, unless Borrower has qualified to do business in such state or has filed a Notice of Business Activities Report or registration or licensing to carry on business or equivalent report, registration or licensing for the then current year unless such Account is supported by a letter of credit in which Lender has a first priority perfected security interest and Lien by possession or credit insurance acceptable to Lender (and naming Lender as loss payee); or
- (u) that is not otherwise acceptable in the good faith discretion of Lender, provided, that Lender shall have the right to create and adjust eligibility standards and related reserves from time to time in its good faith discretion.

"Eligible Equipment" shall mean as at the date of determination, all Equipment of Credit Parties which meets the following criteria:

- (a) the applicable Credit Party has good title to such Equipment;
- (b) the applicable Credit Party has the right to subject such Equipment to a Lien in favour of Lender; such Equipment is subject to a first priority perfected Lien in favour of Lender and is free and clear of all other Liens of any nature whatsoever, except for Permitted Encumbrances which do not have priority over the Lien in favour of Lender;
- (c) the full purchase price for such equipment has been paid by the applicable Credit Party (unless such Equipment meets all of the criteria in paragraph (d)(ii) below);
- (d) such Equipment is:

- (i) located on a premises (A) owned by the applicable Credit Party which is subject to a first priority perfected Lien in favour of Lender, or (B) leased by the applicable Credit Party where (x) the lessor has delivered to Lender an landlord waiver acceptable to Lender or (y) a rent reserve with respect to such leased premises has been established by Lender; or
- (ii) is in transit to a premises that meets the requirements of the foregoing Subsection (i) and:
 - (A) such Equipment is insured to Lender's satisfaction with Lender as first loss payee and such insurance has been assigned to Lender to its satisfaction;
 - (B) such Equipment is supported by documentation acceptable to Lender (including but not limited to the original bill of lading and invoice and other documentation acceptable to Lender);
 - (C) any and all amounts in respect of the Clearance Costs for such Equipment, are either: (1) supported by a letter of credit acceptable to Lender, (2) paid for by Borrower and such payments have been verified by Lender, (3) subject to customary reserves in the Borrowing Base, taking into account the expected or anticipated Clearance Costs; or (4) or subject to such other arrangement that may be satisfactory to Lender and
 - (D) as to any portion of the purchase price not yet paid, reserved for in the Borrowing Base unless waivers of all repossession, revindication or similar rights of an unpaid supplier have been received to the satisfaction of Lender;;
- (e) such Equipment is in good working order and condition (ordinary wear and tear excepted) and is used or held for use by the applicable Credit Party in the ordinary course of business of the applicable Credit Party;
- (f) such Equipment is not subject to any agreement (other than the Loan Documents) which restricts the ability of the applicable Credit Party to use, sell, transport or dispose of such Equipment or which restricts Lender's ability to take possession of, sell or otherwise dispose of such equipment;
- (g) either (i) an appraisal report in respect of such Equipment has been delivered to Lender setting forth the Net Orderly Liquidation Value thereof, or, (ii) in respect of Equipment that is substantially similar to existing Eligible Equipment (the "**Similar Equipment**"), a desktop appraisal report based upon the capital list, specifications (including, as applicable, make, model, controls, capacity, options, attachments, power source) and quotes or invoices (including installation costs or an estimate) in respect of such Similar Equipment delivered by Borrower to Lender;
- (h) such Equipment does not constitute "fixtures" under the Applicable Laws of the jurisdiction in which such Equipment is located; and
- (i) if such Equipment is Non-North American Equipment, Lender shall have (i) consented in its sole discretion to the inclusion of such equipment in the Borrowing Base or (ii) amended this Agreement in accordance with Section 1.13.

"**Eligible Inventory**" shall mean as at the date of determination, all Inventory of Credit Parties, including Inventory covered by commercial letters of credit, that meets the following criteria:

- (a) is not subject to any Liens other than Permitted Encumbrances which are in favour of Lender or have been subordinated on terms satisfactory to Lender to Liens in favour of Lender or which otherwise rank in priority behind the Liens in favour of Lender;
- (b) is located on premises owned or operated by Borrower and referenced in Disclosure Schedule (3.6) or is located on premises with respect to which Lender has received a landlord, bailee, third party distributor or mortgagee letter acceptable in form and substance to Lender or, in the sole discretion of Lender, in respect of which Lender has established an appropriate reserve;
- (c) is not in transit unless and subject to Lender's discretion (i) title has been transferred to Borrower; (ii) the goods are in transit to Borrower's premises; (iii) the goods are insured to Lender's satisfaction with Lender as first loss payee and such insurance has been assigned to Lender to its satisfaction; (iv) the goods are supported by documentation acceptable to Lender (including but not limited to the original bill of lading and invoice and the documentation provided for in paragraph (d)); and (v) any and all amounts in respect of the Clearance Costs for such Inventory are either (A) supported by a letter of credit acceptable to Lender, (B) paid for by Borrower and such payments have been verified by Lender, (C) as to the Clearance Costs, reserved for in the Borrowing Base and, as to the purchase price, reserved for in the Borrowing Base unless waivers of all repossession, revindication or similar rights of an unpaid supplier have been received to the satisfaction of Lender or (D) or subject to such other arrangement that may be satisfactory to Lender;
- (d) is not covered by a negotiable document of title, unless such document and evidence of acceptable insurance covering such Inventory has been delivered to Lender;
- (e) is of good and merchantable quality, free from any defects and is not obsolete, unsalable, shopworn, damaged, unfit for further processing or of substandard quality, in Lender's good faith credit judgment;
- (f) does not consist of: (i) discontinued items; (ii) slow-moving or excess items; or (iii) used items held for resale;
- (g) consists of raw materials or finished goods, provided that, at the Lender's reasonable discretion, Eligible Inventory may also consist of unbranded or unprinted packaging materials which are the subject of an appraisal acceptable to the Lender;
- (h) meets all standards imposed by any Governmental Authority, including with respect to its production, acquisition or importation (as the case may be);
- (i) is not placed by Borrower on consignment or held by Borrower on consignment from another Person;
- (j) is not held for rental or lease by or on behalf of Borrower;
- (k) does not meet or violate any warranty, representation or covenant contained in this Agreement or any other Loan Document;
- (l) is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third parties;
- (m) does not require the consent of any Person for the completion or manufacture, sale or other disposition of such Inventory by Lender and such completion, manufacture or sale does not constitute a breach or default under any contract or agreement to which Borrower is a party or to which such Inventory is or may become subject;
- (n) is not subject to unpaid suppliers' repossession rights;

- (o) is in a location where the aggregate amount of Inventory that would otherwise be considered eligible, is at least \$50,000; and
- (p) is otherwise acceptable in the good faith discretion of Lender, provided that, Lender shall have the right to create and adjust eligibility standards and related reserves from time to time in its good faith discretion.

"Eligible Investment Grade or Insured Accounts" shall mean Eligible Accounts either: (a) payable by an Investment Grade Debtor; or (b) insured with an insurer which is acceptable to Lender on terms satisfactory to Lender in its sole discretion.

"EMA" shall mean the *Environmental Management Act* (British Columbia), the *Environmental Protection Act* (United States) and the similar Applicable Laws of Canada and any other province where any Collateral may be located, and any successor law or statute, as in effect from time to time or at any time.

"Environmental Laws" shall mean all federal, provincial, state, municipal and local Applicable Laws, statutes, ordinances, programs, permits, guidance, orders, decrees and regulations, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation).

"Environmental Liabilities" shall mean all liabilities, obligations, responsibilities, remedial actions, removal costs, losses, damages of whatever nature, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim, suit, action or demand of whatever nature by any Person and which relate to any health or safety condition regulated under any Environmental Law, environmental permits or in connection with any Release, threatened Release, or the presence of a Hazardous Material.

"Equipment" shall mean all "equipment" as defined in the PPSA and, in any event, shall include tangible or corporeal property other than Inventory, now or hereafter acquired by any Person, wherever located, including any and all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible or corporeal personal or movable property (other than Inventory) of every kind and description which may be now or hereafter used in such Person's operations or which are owned by such Person or in which such Person may have an interest, and all parts, accessories and accessions thereto and substitutions and replacements therefor.

"Equivalent Amount" shall mean the amount of US\$ or any other currency to which any amount in \$ is equivalent as determined by Lender based on the rate of exchange available to it as determined at noon (Toronto time) on the date of determination.

"ERISA" shall mean the *Employee Retirement Income Security Act* of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

"ERISA Group" shall mean, at any time, the Credit Parties and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any Credit Party, are treated as a single employer under Section 414 of the Code.

"Event of Default" shall have the meaning assigned to it in Section 7.1.

"Facility Fee" shall have the meaning assigned to it in Schedule D.

"Fees" shall mean the fees due to Lender as set forth in Schedule D.

"Field Examination" shall have the meaning assigned to it in Section 6.1(c).

"Field Examination Fees" shall have the meaning assigned to it in Schedule D.

"Financial Statements" shall mean for any Person, the income statement, balance sheet and statement of cash flows of such Person, prepared in accordance with GAAP.

"Fiscal Month" shall mean a monthly accounting period of Borrower or of a Credit Party, as applicable.

"Fiscal Quarter" shall mean each three (3) month accounting period of Borrower or of a Credit Party, as applicable.

"Fiscal Year" shall mean the twelve (12) month period of Borrower ending December 31 of each year. Subsequent changes of the fiscal year of Borrower shall not change the term "Fiscal Year" unless Lender shall consent in writing to such change.

"FSA" shall mean the British Columbia Financial Services Authority and any Person succeeding to the functions thereof and includes any other public authority empowered or created by the PBSA.

"GAAP" shall mean in relation to any Person at any time, (a) the Accounting Standards for Private Enterprises or (b) International Financial Reporting Standards for Public Companies, as applicable, in each case, as approved by the Accounting Standards Board of Canada or its successor, applied on a basis consistent with the most recent financial statements of such Person (except for changes approved by the auditors of such Person).

"Goods" shall mean all "goods," as such term is defined in the PPSA and, in any event, includes all things which are movable at the time Lender's Liens attach thereto (other than money, Documents, Instruments, Accounts, Chattel Paper and Intangibles) as well as all fixtures, standing timber which is to be cut, the unborn young of animals and growing crops, all now owned or hereafter acquired by any Person, wherever located, including Equipment, Inventory and all other tangible or corporeal personal or movable property.

"Goodwill" shall mean all goodwill, trade secrets, proprietary or confidential information, technical information, procedures, formulae, quality control standards, designs, operating and training manuals, customer lists, and distribution agreements, now owned or hereafter acquired by any Person.

"Governmental Authority" shall mean any nation or government, any state, provincial or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee" shall mean any guarantee or any other agreement to perform all or any portion of the Obligations on behalf of Borrower or any other Credit Party, in favour of, and in form and substance satisfactory to, Lender, together with all amendments, modifications and supplements thereto and restatements and replacements thereof, and shall refer to such Guarantee as the same may be in effect at the time such reference becomes operative.

"Guaranteed Indebtedness" shall mean, as to any Person, any obligation of such Person guaranteeing any indebtedness, lease, dividend, or other obligation ("primary obligations") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such guaranteeing Person (whether or not contingent): (a) to purchase or repurchase any such primary obligation; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; or (d) to indemnify the owner of such primary obligation against loss in respect thereof.

"Guarantor" shall mean each Person which executes a Guarantee in favour of Lender in connection or as required by this Agreement. As of the Closing date, the Guarantors are 1218169 B.C. Ltd., 1218158 B.C. Ltd., The Very Good Butchers Inc., The Cultured Nut Inc., Lloyd-James Marketing Group Inc. and VGFC Holdings LLC.

"Hazardous Material" shall mean any substance, material or waste which is regulated by or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance which is: (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Laws; (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's); or (c) any radioactive substance.

"Hazardous Waste" shall include any Hazardous Material as well as any other substance, material or waste which is now or may hereafter be classified as hazardous (or similarly classified) under any applicable legislation.

"In Place Appraised Value" means, in respect of each Credit Party Facility, the fair market value from a Lender-approved appraiser performed in accordance with the guidelines established by the Uniform Standards of Professional Appraisal Practices.

"Increase Notice" shall have the meaning assigned to such terms in Section 1.13.

"Indebtedness" of any Person shall mean: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (including reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured, but not including obligations to trade creditors incurred in the ordinary course of business and not more than forty five (45) days past due); (b) all obligations evidenced by notes, bonds, debentures or similar instruments; (c) all indebtedness created or arising under any conditional sale or other title retention agreements with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (d) all Capital Lease Obligations; (e) all Guaranteed Indebtedness; (f) all Indebtedness referred to in clauses (a), (b), (c), (d) or (e) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (g) the Obligations.

"Indemnified Liabilities" and "Indemnified Person" shall have the meaning assigned to such terms in Section 1.11.

"Instruments" shall mean all "instruments," as defined in the PPSA and, in any event, includes all negotiable instruments (including all bills of exchange and promissory notes), all certificated securities or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is, in the ordinary course of business, transferred by delivery with any necessary endorsement or assignment, now owned or hereafter acquired by any Person, wherever located, including all certificated securities and all notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Intangibles" shall mean all "intangibles" as defined in the PPSA and, in any event, includes intangible or incorporeal property, real or personal, moveable or immovable now owned or hereafter acquired by any Person, including all right, title and interest which such Person may now or hereafter have in or under any Contract, Intellectual Property, interests in partnerships, joint ventures and other business associations, permits, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials, Books and Records, Goodwill (including the Goodwill associated with any Intellectual Property), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal or movable property, real or

immovable property, tangible rights or intangible rights, corporeal or incorporeal rights, all liability, life, key-person, and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit accounts, rights to receive tax refunds and other payments and rights of indemnification.

"Intellectual Property" shall mean any and all Licenses, Patents, Copyrights, Trademarks, trade secrets and customer lists.

"Interest Expense" means, for any reference period and with respect to the Credit Parties, total interest expense (including that portion attributable to capitalized interest and capital leases in accordance with GAAP), premium payments, debt discount, fees, charges and related expenses with respect to all outstanding Indebtedness of the Credit Parties, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances, in each case paid in cash during such period.

"Inventory" shall mean all "inventory," as such term is defined in the PPSA, now or hereafter owned or acquired by any Person, wherever located, including all inventory, merchandise, goods and other personal property which are held by or on behalf of such Person for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in such Person's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies.

"Investment Grade Debtor" shall mean an Account Debtor of Borrower whose long-term unsecured and unsubordinated indebtedness has been rated as follows by 2 of the 3 rating agencies (or their respective successors) below:

- (a) S&P: \geq BBB-
- (b) Moody's: \geq Baa3
- (c) DBRS: \geq BBB-

"Investment Property" shall mean all investment property now or hereafter acquired by any Person, wherever located and includes securities (whether or not certificated), securities entitlement, securities account, commodity contract or commodity account.

"Lender" shall mean Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. and, if at any time Lender shall decide to assign or syndicate all or any of the Obligations, such term shall include such assignee or such other members of the syndicate.

"License" shall mean any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Person.

"Lien" shall mean, whether based on common law, statute or contract, whether choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due: (a) any mortgage, security deed or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, security title, deemed trust, requirement to pay, easement, reservation, exception, encroachment, privilege, title exception, garnishment right, prior claim or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable law of any jurisdiction); and (b) any rights of repossession or similar right of an unpaid supplier.

"Litigation" shall mean any claim, lawsuit, litigation, investigation or proceeding of, or before, any arbitrator or Governmental Authority.

"Loan Documents" shall mean this Agreement, each Guarantee, the Blocked Accounts Agreement, and the other documents and instruments listed in Schedule E, and all security agreements, hypothecs, mortgages and all other documents, instruments, certificates, and notices at any time delivered by any Person (other than Lender and its affiliates) in connection with any of the foregoing.

"Loans" shall mean the Revolving Credit Loan and the Term Loan.

"Material Adverse Effect" shall mean a material adverse effect on: (a) the business, assets, operations, prospects or financial or other condition of Borrower or any other Credit Party or the industry within which Borrower or any other Credit Party operates; (b) Borrower's or any other Credit Party's ability to pay or perform the Obligations under the Loan Documents to which such Credit Party is a party in accordance with the terms thereof; (c) the Collateral or any realization thereof or Lender's Liens on the Collateral or the priority of any such Lien; or (d) Lender's rights and remedies under this Agreement and the other Loan Documents.

"Material Contract" shall mean any agreement to which any Credit Party is party that constitutes a guarantee in excess of the Minimum Actionable Amount or otherwise provides for any Lien on such Credit Party's property (other than Permitted Encumbrances), is essential to a Credit Party's ability to carry on business as currently conducted (including without limitation, take or pay contracts and product licenses) or the breach or termination of which could otherwise give rise to a Material Adverse Effect.

"Material Intellectual Property" means, in respect of each Credit Party, all Intellectual Property owned or licensed by such Credit Party necessary to conduct its business as currently conducted, except for such Intellectual Property the failure of which to own or license could not reasonably be expected to have a Material Adverse Effect.

"Maturity Date" shall mean, unless extended to a later date in the sole, unfettered discretion of Lender following a written request by Borrower (and subject to an extension fee), June 7, 2023, subject to an option to extend such date for a further twelve (12) months, on terms and conditions to be mutually agreed to in writing by Borrower and Lender.

"Maximum Amount" shall mean: (a) in respect of the Revolving Credit Loan, \$5,000,000 as of the Closing Date, and thereafter as such amount may be increased pursuant to Section 1.13 up to (but not to exceed) \$20,000,000 or the Equivalent Amount thereof in US\$; (b) in respect of the Term Loan, \$50,000,000 or the Equivalent Amount thereof in US\$.

"Minimum Actionable Amount" shall mean \$1,000,000 or the Equivalent Amount thereof in US\$.

"Miscellaneous Fees" shall have the meaning assigned to it in Schedule D.

"Multiemployer Plan" shall mean a Plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the ERISA Group or any of them is then making or accruing an obligation to make contributions or, within the preceding five (5) Plan years, has made or had an obligation to make such contributions.

"Multiple Employer Plan" shall mean a Plan which has two (2) or more contributing sponsors (including the ERISA Group or any of them) at least two of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

"Net Income (Loss)" shall mean for any period, the aggregate net income (or loss) after taxes for such period, determined in accordance with GAAP.

"Net Orderly Liquidation Value" shall mean the net proceeds that could be expected from an orderly professionally managed liquidation sale of the Inventory or Equipment, as applicable, and expressed as a percentage of the cost of such Inventory or Equipment, from a Lender-approved appraiser performed in accordance with the guidelines established by the Uniform Standards of Professional Appraisal Practices.

"Non-North American Equipment" means any Equipment located outside of the United States and Canada.

"Notice of Advance" shall have the meaning assigned to it in Section 1.1(b).

"Obligations" shall mean all loans, advances, debts, expense reimbursement, fees, liabilities, and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or amounts are liquidated or determinable) owing by Borrower and any other Credit Party to Lender, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, whether arising under any of the Loan Documents or under any other agreement between Borrower, such Credit Party and Lender, and all covenants and duties regarding such amounts. This term includes all principal, interest, Fees, Charges, expenses, legal fees and any other sum chargeable to Borrower under any of the Loan Documents, and all principal and interest due in respect of the Loans and all obligations and liabilities of any Guarantor under any Guarantee.

"OFAC" shall mean the United States Department of Treasury Office of Foreign Assets Control.

"Operating Lease" shall mean any lease of property (excluding rentals of office, retail or other space) which, in accordance with GAAP, shall be reflected as an operating lease in the financial statements of a Person.

"Patent License" shall mean rights under any written agreement now owned or hereafter acquired by any Person granting any right with respect to any invention on which a Patent is in existence.

"Patents" shall mean all of the following in which any Person now holds or hereafter acquires any interest: (a) all patents and letters patent of the United States, Canada or any other country, all registrations and recordings thereof, and all applications for patents and letters patent of the United States, Canada or any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, Canada or any province, state or territory thereof, or any other country; and (b) all reissues, continuations, continuations-in-part or extensions thereof.

"Patterson Facility" means the facility located at and about 220 S. 1st Street, Patterson, California.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

"PBSA" shall mean the *Pension Benefits Standards Act* (British Columbia) and the similar Applicable Laws of any other province or territory of Canada, as in effect from time to time or at any time.

"Pension Event" shall mean: (a) the existence of any unfunded liability or windup or withdrawal liability, including contingent withdrawal or windup liability, or any solvency deficiency in respect of any Plan; (b) the whole or partial termination or windup of any Plan or occurrence of any act, event or circumstance which could give rise to the whole or partial termination or windup of any Plan; (c) the failure to make any contribution or remittance in respect of any Plan when due; (d) the failure to file any report, actuarial valuation, return, statement or other document, when due, in respect of any Plan; (e) the existence of any Lien except in respect of current contribution amounts not due in connection with any Plan; or (f) the establishment or commencement to contribute to any Plan not in existence on the date thereof.

"Permitted Acquisition" means any Acquisition which meets the following criteria:

- (a) Lender shall receive at least fifteen (15) days prior written notice of such Acquisition, which notice shall include a description of such proposed Acquisition;
- (b) at the time of the Acquisition there exists no Default or Event of Default and there shall exist no Default or Event of Default resulting from the completion of the Acquisition;

- (c) Borrower shall have provided a Compliance Certificate demonstrating the financial covenants required to be met pursuant to both Section 5.1(a) (taking into account any revised projections delivered and approved in accordance with Section 4.1(e)) and Section 5.1(b) have been met and will continue to be met, on a pro forma basis, after the completion of such Acquisition;
- (d) the aggregate amount of the consideration paid in respect of such Acquisition (inclusive of the value of all cash paid or payable, Indebtedness assumed and Shares issued) is not more than \$100,000,000 (or the Equivalent Amount thereof in any other currency other than Canadian Dollars), unless Lender has consented in writing to the amount of consideration to be paid, which consent will not be unreasonably withheld or delayed;
- (e) Lender shall have received copies of any business, financial, accounting, tax and legal and environmental due diligence prepared by the Borrower with respect to the target of such Acquisition, and shall be satisfied with the same, acting reasonably and without delay in the review thereof;
- (f) if any owned real property is acquired in connection with such Acquisition, Lender shall have received copies of any real property due diligence prepared by or on behalf of the Borrower with respect to such real property, and shall be satisfied with the same, acting reasonably and without delay in the review thereof;
- (g) the business subject to such Acquisition shall have its primary operations in Canada or the United States of America and shall be in a business similar, ancillary or reasonably related to the business of the Borrower, provided that if such Acquisition shall have its primary operations outside of Canada or the United States of America and meet all of the other requirements of this Agreement to constitute a Permitted Acquisition, such Acquisition shall be permitted, but the Accounts and Inventory acquired in such Acquisition or generated by the target thereof may, in Lender's reasonable discretion, not be considered Eligible Accounts or Eligible Inventory until Lender has received satisfactory legal advice concerning the treatment of Accounts and Inventory in applicable jurisdictions and, if reasonably required by Lender, Lender and Borrower have agreed, in good faith, to any required amendments to the definitions of Eligible Accounts or Eligible Inventory to address the treatment of Accounts and Inventory in such applicable jurisdictions;
- (e) the applicable Credit Party shall promptly (and in any event within ten (10) Business Days) thereafter: (a) cause any Persons acquired as part of such Acquisition to become a Credit Party hereunder and deliver all Loan Documents required to be delivered by a Credit Party hereunder (including all of the documentation required for a Credit Party listed on Schedule E hereto); and (b) take all other actions required by Lender to perfect Lender's first priority Liens upon the Collateral, unless Lender has, in its discretion agreed in writing to allow Indebtedness and Liens in respect of such Indebtedness to remain outstanding in respect of such Acquisition, on terms and conditions acceptable to Lender; and
- (f) on or prior to the date of the Acquisition, Lender shall receive copies of the acquisition agreement and such other material agreements related to the Acquisition as may be reasonably requested by Lender.

"Permitted Contest" means action taken by or on behalf of a Credit Party in good faith by appropriate proceedings diligently pursued to contest any claim, provided that:

- (a) the Credit Party in respect of which the claim being contested is relevant has established reasonable reserves therefor if and to the extent required by GAAP;
- (b) proceeding with such contest does not have, and could not reasonably be expected to have, a Material Adverse Effect; and

- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the Collateral.

"Permitted Encumbrances" shall mean (provided same shall not constitute any agreement by Lender to subordinate any of its Liens to same) the following encumbrances:

- (a) any Lien created by, or arising under a statute or regulation or common law (in contrast with Liens voluntarily granted) in connection with, without limiting the foregoing, workers' compensation, employment insurance, employers' health tax or other social security or statutory obligations that secure amounts that are not yet due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the applicable Credit Parties' books and records and a stay of enforcement of the Lien is in effect;
- (b) Liens made or incurred in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the borrowing of money), leases, statutory obligations or surety and performance bonds;
- (c) any construction, workers', materialmen's or other like Lien created by Applicable Law (in contrast with Liens voluntarily granted), arising in connection with construction or maintenance in the ordinary course of business, in respect of obligations which are not due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on any Credit Parties' books and records and a stay of enforcement of the Lien is in effect;
- (d) any Lien for Taxes not due or being contested in good faith by appropriate proceedings diligently pursued and as to which adequate reserves have been established on the applicable Credit Parties' books and records and a stay of enforcement of the Lien is in effect;
- (e) minor imperfections in title on real property that do not materially detract from the value of the real property subject thereto and do not materially impair any Credit Parties' ability to carry on its business or Lender's rights and remedies under the Loan Documents;
- (f) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including rights-of-way, and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons which in the aggregate do not materially impair the usefulness, in the operation of the business of any Credit Party, of the real property subject to the restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons and, in each case, which do not impair the use and operation of the business by the Credit Party or Lender's rights and remedies under the Loan Documents;
- (g) the rights reserved to or vested in any Person by the terms of any lease, licence, franchise, grant or permit held by any Credit Party or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (h) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (i) restrictive covenants affecting the use to which real property may be put, provided that the covenants are complied with and do not materially detract from the value of the real property concerned or materially impair its use in the operations of any Credit Party or impair Lender's rights and remedies under the Loan Documents;

- (j) Liens in favour of Lender created by the Loan Documents;
- (k) Liens disclosed in Disclosure Schedule (5.2(e)) but only to the extent such Liens conform to their description in Disclosure Schedule (5.2(e)), and includes any extension or renewal thereof provided the amount secured thereby does not exceed the original amount secured immediately prior to the extension, renewal or refinancing and the scope of security creating the Lien is not extended;
- (l) Purchase Money Liens securing Purchase Money Indebtedness to the extent permitted under Section 5.2(b);
- (m) Liens in favour of Royal Bank of Canada in cash collateral limited to \$100,000, to secure credit card liabilities and any obligations owing under any global payment transfer systems;
- (n) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Person, provided that such Liens do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person or impair Lender's rights and remedies under the Loan Documents;
- (o) servicing agreements, development agreements, site plan agreements, and other agreements with governmental entities pertaining to the use or development of any of the assets of the Person, provided same are complied with and do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person including, without limitation, any obligations to deliver letters of credit and other security as required or impair Lender's rights and remedies under the Loan Documents; and
- (p) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person or impair Lender's rights and remedies under the Loan Documents.

"Permitted Restricted Payments" shall mean any payment, loan, contribution, or other transfer of funds or other property to any Shareholder of a Credit Party: (a) so long as no Default or Event of Default has occurred and is continuing or would arise as a result thereof, and Borrower has provided a Compliance Certificate demonstrating the financial covenants required to be met pursuant to both Section 5.1(a) and Section 5.1(b) have been met and will continue to be met after the making of such payment, loan, contribution, or other transfer of funds or other property to any Shareholder; (b) to the extent such Shareholder is a Credit Party; or (c) which payment constitutes the payment of reasonable management, consulting or other fees for management or similar services made in the ordinary course of business, consistent with the compensation framework dated January 25, 2021, a copy of which has been provided to Lender.

"Person" shall mean any individual, sole proprietorship, partnership, limited liability partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, legal person, institution, public benefit corporation, entity or government (whether federal, provincial, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person's successors and assigns.

"Plan" shall mean: (a) any employee pension benefit plan which any Credit Party sponsors or maintains or to which it makes or is making or is required to make contributions, and includes any pension or benefit plan regulated by the FSA or similar authority or otherwise subject to the PBSA; and (b) an employee pension benefit plan which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code and either: (a) is maintained by any member of the ERISA Group for

employees of any member of the ERISA Group, or (b) has at any time within the preceding five years been maintained by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group.

"PPSA" shall mean the Personal Property Security Act (or any successor statutes) as the same may, from time to time, be in effect in the Province of British Columbia; provided, that in the event that, by reason of mandatory provisions of Applicable Law, any or all of the attachment, perfection or priority of Lender's security interest in any Collateral is governed by the Personal Property Security Act as in effect in a jurisdiction other than the Province of Ontario, the term "PPSA" shall mean the Personal Property Security Act or a similar act or statute as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"Prepayment Fee" shall have the meaning assigned to it in Schedule D.

"Proceeds" shall mean "proceeds," as such term is defined in the PPSA and, in any event, includes whatever is received or receivable upon the sale, exchange, collection or other disposition of the Collateral and, in any event shall include: (a) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Borrower or any other Credit Party from time to time with respect to any Collateral; (b) any and all payments (in any form whatsoever) made or due and payable to Borrower or any other Credit Party from time to time in connection with any requisition, confiscation, expropriation, seizure or forfeiture of any Collateral by any governmental body, authority, bureau or agency (or any person acting under colour of Governmental Authority); (c) any claim of Borrower or any other Credit Party against third parties (i) for past, present or future infringement of any Intellectual Property or (ii) for past, present or future infringement or dilution of any Trademark or Trademark License or for injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License; (d) any recoveries by Borrower or any other Credit Party against third parties with respect to any litigation or dispute concerning any Collateral; and (e) any and all other amounts from time to time paid or payable under or in connection with any Collateral, upon disposition or otherwise.

"Prohibited Transaction" means any prohibited transaction as defined in Section 4975 of the Code or Section 406 of ERISA for which neither an individual nor a class exemption has been issued by the United States Department of Labor.

"Projections" shall mean the projected consolidated and, when requested, consolidating, income statement, balance sheet and statement of cash flows of Credit Parties for any future period, including forecasted Capital Expenditures.

"Purchase Money Indebtedness" shall mean: (a) any Indebtedness incurred for the payment of all or any part of the purchase price of any fixed asset; (b) any Indebtedness incurred for the sole purpose of financing or refinancing all or any part of the purchase price of any fixed asset; and (c) any renewals, extensions or refinancings thereof (but not any increases in the principal amounts thereof outstanding at that time).

"Purchase Money Lien" shall mean any Lien upon any fixed assets which secures the Purchase Money Indebtedness related thereto but only if such Lien shall at all times be confined solely to the asset the purchase price of which was financed or refinanced through the incurrence of the Purchase Money Indebtedness secured by such Lien and only if such Lien secures only such Purchase Money Indebtedness.

"Real Property" shall have the meaning assigned to it in Section 3.15.

"Release" shall mean, as to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Materials in the indoor or outdoor environment by such Person, including the movement of Hazardous Materials through or in the air, soil, surface water, ground water or property.

"Requirement of Law" shall mean as to any Person, the certificate or articles of incorporation and by-laws or other organizational or governing documents of such Person, and any Applicable Law or determination

of an arbitrator or a court or other Governmental Authority, in each case binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted Payment" shall mean: (a) the declaration or payment of any dividend or the incurrence of any liability to make any other payment or distribution of cash or other property or assets on or in respect of Borrower's or any other Credit Party's Shares; (b) any payment or distribution made in respect of any subordinated Indebtedness of Borrower or any other Credit Party in violation of any subordination or other agreement made in favour of Lender, but subject in all cases to the subordination, priority or intercreditor agreement with Lender; (c) any payment on account of the purchase, redemption, defeasance or other retirement of Borrower's or any other Credit Party's Shares or Indebtedness or any other payment, voluntary prepayment or distribution made in respect thereof, either directly or indirectly other than: (i) that arising under this Agreement, or (ii) interest and principal, when due without acceleration or modification of the amortization as in effect on the Closing Date, under Indebtedness (not including subordinated Indebtedness, payments of which shall be permitted only in accordance with the terms of the relevant subordination, priority or intercreditor agreement made in favour of Lender) described in Disclosure Schedule (5.2(b)) or otherwise permitted under Section 5.2(b) (vi); or (d) any payment, loan, contribution, or other transfer of funds or other property to any Shareholder of such Person which is not expressly and specifically permitted in this Agreement; provided, that no payment to Lender shall constitute a Restricted Payment.

"Revolving Credit Advance" shall have the meaning assigned to it in Section 1.1(a).

"Revolving Credit Loan" shall mean at any time the sum of: (a) the aggregate amount of Revolving Credit Advances then outstanding; and (b) the amount of accrued but unpaid interest thereon.

"Revolving Credit Loan Borrowing Base" shall mean an amount equal to Subsection (a) of the definition of Borrowing Base less Subsection (c) of the definition of Borrowing Base.

"Revolving Credit Rate" shall have the meaning assigned to it in Section 1.5.

"Rupert Facility" means the facility located at and about 2748 Rupert Street, Vancouver, BC V5M 3T7.

"Sanctioned Person" means, at any time; (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including the OFAC SDN List), the United States Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority; (b) any Person located, organized or resident in a jurisdiction subject to any Sanctions; or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) or (b) above.

"Sanctions" means all economic or financial sanctions, sectoral sanctions, secondary sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States government (including those administered by OFAC or the United States Department of State) or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority with jurisdiction over any Credit Party or any of their respective subsidiaries or Affiliates.

"Shareholder" shall mean each holder of Shares of Borrower or any other Credit Party.

"Shares" shall mean all certificated and uncertificated shares, options, warrants, membership interests, general or limited partnership interests, participation or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common shares, preferred shares, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934) or "security" (as defined in the *Securities Act* (Ontario) or any other applicable Canadian provincial legislation or regulations thereunder).

"Subordinated Debt" means, without duplication, indebtedness for borrowed money incurred, assumed or guaranteed by any Credit Party which unless Lender agrees otherwise, is expressly postponed and subordinated in right of payment to the Obligations pursuant to a written postponement and subordination agreement in form and substance acceptable to Lender, acting reasonably.

"Subsidiary" shall mean, with respect to any Person: (a) any corporation of which an aggregate of more than 50% of the outstanding Shares having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person and/or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 50% or more of such Shares whether by proxy, agreement, operation of law or otherwise; and (b) any partnership or limited liability company in which such Person or one or more Subsidiaries of such Person has an equity interest (whether in the form of voting or participation in profits or capital contribution) of more than 50% or of which any such Person is a general partner or manager or may exercise the powers of a general partner or manager.

"Taxes" shall mean taxes (including goods and services taxes and applicable sales taxes), duties, levies, imposts, deductions, Charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on or measured by the net income of Lender.

"Term Loan" shall mean at any time the sum of: (a) the aggregate amount of Term Loan Advances then outstanding; and (b) the amount of accrued but unpaid interest thereon.

"Term Loan Advance" shall have the meaning assigned to it in Section 1.1(a).

"Term Loan Borrowing Base" shall mean an amount equal to Subsection (b) of the definition of Borrowing Base less Subsection (c) of the definition of Borrowing Base.

"Termination Date" shall mean the date on which the indefeasible payment in full of the Obligations has occurred and Lender has no further obligation to advance funds, or otherwise extend or continue any credit hereunder (whether due to the Maturity Date or otherwise pursuant to the terms hereof).

"Trademark License" shall mean rights under any written agreement now owned or hereafter acquired by any Person granting any right to use any Trademark or Trademark registration.

"Trademarks" shall mean all of the following now owned or hereafter acquired by any Person: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, Canada, any Province, State or Territory thereof, or any other country or any political subdivision thereof; and (b) all reissues, extensions or renewals thereof.

"Unused Line Fee" shall have the meaning assigned to it in Schedule D.

"US Dollar Interest Rate" shall mean 9.95% per annum.

"US Dollars" or "US\$" shall mean the lawful currency of the United States of America.

"WEPPA Claims" means any claims made against the Credit Parties pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

SCHEDULE B

LENDER'S AND BORROWER'S ADDRESSES FOR NOTICES

Lender's Address:

25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: Aaron Ehgoetz, Mark Wilk and Don Rogers
Email: aehtoetz@waygarcapital.com, mwilk@waygarcapital.com, and
drogers@waygarcapital.com

Borrower's Address:

2748 Rupert Street
Vancouver, BC V5M 3T7

Attention: Chief Financial Officer
Email: kamini@verygoodbutchers.com

Credit Parties' Address:

c/o Borrower's address above (unless otherwise specified below).

SCHEDULE C

CASH MANAGEMENT SYSTEM

Borrower agrees to establish, and to maintain, until the Termination Date, the cash management system described below:

1. No Credit Party: (a) shall (nor shall it permit any of its Subsidiaries to) open or maintain any deposit, chequing, operating or other bank account, or similar money handling account, with any bank or other financial institution except at the Blocked Account Banks or as permitted by Lender in its sole discretion and as identified in Attachment 1 hereto; and (b) shall close or permit to be closed any of the accounts identified in Attachment 1 without Lender's prior written consent, and then only after such Credit Party has implemented agreements with a bank or financial institution acceptable to Lender.
2. Commencing on the Closing Date and until the Termination Date, all monies (which term when used in this Agreement includes all cheques, bills of exchange and other payment instruments as well as cash) received by the Credit Parties, including, but not limited to, any receipts in payment of any Accounts or in respect of any insurance proceeds, whether or not a notice and direction has been sent to the Credit Parties' Account Debtors, shall be received and held, and shall be deemed to be received and held, in trust for Lender and shall be, and shall be deemed to be, kept separate and apart from the Credit Parties' own funds and immediately deposited by it on a daily basis in one or more blocked accounts set up for this purpose and listed in Attachment 1 hereto (collectively, the "**Blocked Accounts**"). The Credit Parties shall execute and deliver to Lender, blocked accounts or deposit control accounts agreements (collectively "**Blocked Account Agreements**") in respect of all such accounts, the receipt of which is a condition precedent to any accommodation of credit hereunder.
3. The Blocked Account Agreements shall provide that upon delivery of a notice to the Blocked Account Banks, in the form required by the Blocked Account Agreements (each an "**Activation Notice**"), at the sole discretion of Lender following the occurrence and during the continuance of an Event of Default, the Blocked Account Banks have no Liens upon, or right to set off against, the Disbursement Accounts (except for customary services charges), the items received for deposit therein, or the funds from time to time on deposit therein, that Lender has a security interest in the funds from time to time on deposit therein and that until receipt by the Blocked Account Banks of an Activation Notice, the Blocked Account Banks will comply only with the transfer, withdrawal and disbursement instructions of the Borrower and after receipt of an Activation Notice, the Blocked Account Banks will comply only with the transfer, withdrawal and disbursement instructions of Lender.
4. Prior to the delivery of an Activation Notice, the Borrower and each other Credit Party shall be authorized to operate all accounts, including the Blocked Accounts. After the delivery of an Activation Notice:
 - (a) any funds that are transferred to Lender from the Blocked Accounts shall be credited against the Loan,
 - (b) the Borrowers shall make all of their payments (other than payments on the Loan) and disbursements only from the Disbursement Accounts; and
 - (c) each Credit Party and all of their affiliates, subsidiaries, officers, employees, agents and directors (each, a "**Related Person**") shall, acting as trustee for Lender, receive, as the property of Lender (to the extent of the outstanding obligations of the Borrower hereunder), any monies, cheques, notes, drafts or any other payment which comes into the possession or under the control of a Credit Party or, in the case of any Related Person, comes into its possession or under its control and is rightfully that of a Credit Party, and immediately upon receipt thereof where received by a Credit Party or upon becoming aware of the receipt

thereof where received by a Related Person, such Credit Party shall deposit or shall cause the same to be deposited in the Disbursement Account or the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Lender. In no event shall the same be commingled with any of the funds of a Credit Party. Each Credit Party agrees to reimburse Lender on demand for any amounts owed or paid to the Blocked Account Banks by Lender regarding the Blocked Accounts or any other bank or Person involved in the transfer of funds to or from the Blocked Accounts arising out of Lender's payments to or indemnification of such bank or Person.

5. Borrower may maintain, in its name, accounts (the "**Disbursement Accounts**") at Blocked Account Banks into which Lender shall, from time to time, deposit proceeds of Advances made pursuant to Section 1.1 for use solely in accordance with the provisions of Section 1.3. All of the Disbursement Accounts as of the Closing Date are listed in Attachment 1 hereto.
4. Upon the request of Lender, each Credit Party shall forward to Lender, on a daily basis, evidence of the deposit of all items of payment received by such Credit Party into the Blocked Accounts and copies of all such cheques and other items, together with a statement showing the application of those items relating to payments on Accounts to outstanding Accounts and a collection report with regard thereto in form and substance satisfactory to Lender.

ATTACHMENT 1 TO SCHEDULE C

LIST OF BANK ACCOUNTS

Bank	Bank	Transit	Account	Description	Currency
Royal Bank of Canada	0003	08080	1003847	VGFC Chequing**	CAD
Royal Bank of Canada	0003	08080	4001194	VGFC Chequing	USD
Royal Bank of Canada	0003	08080	1011451	VGFC Chequing - Restaurant/Butchershop	CAD
The Toronto-Dominion Bank*	0004	09911	5010359	TCN Chequing	CAD
Bank of Montreal*	0001	07600	1979236	LJ Chequing	CAD
Bank of Montreal*	0001	07600	4759545	LJ Chequing	USD
The Toronto-Dominion Bank*	0004	09400	5578878	VGFC Chequing	CAD
The Toronto-Dominion Bank*	0004	09400	7358848	VGFC Chequing	USD

*To be closed post-closing

**Disbursement Account

SCHEDULE D

FEES

1. **Unused Line Fee:** For each day from the Closing Date, and through and including the Commitment Termination Date, an amount equal to the then applicable Maximum Amount in respect of the Revolving Credit Loan, less the aggregate of the aggregate amount of Advances outstanding under the Revolving Credit Loan at the end of each day, multiplied by 1% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the Unused Line Fee is payable. The Unused Line Fee for each month (except for the month in which the Commitment Termination Date occurs) is payable in arrears on the first Business Day of each calendar month following the Closing Date; the final monthly instalment of the Unused Line Fee is payable on the Commitment Termination Date. Notwithstanding the foregoing, any unpaid Unused Line Fee is immediately due and payable on the Commitment Termination Date.
2. **Facility Fee:** A fully earned non-refundable facility fee of \$2,520,000 which is fully earned as of the date hereof, which is payable as follows: (a) \$210,000 shall payable on the earlier of: (i) the date that is five (5) Business Days from the Closing Date; and (ii) the date of the initial Advances hereunder; (b) \$210,000 shall be payable on the date that is thirty (30) days from the Closing Date; (c) \$210,000 shall be payable on the date that is sixty (60) days from the Closing Date; (d) \$630,000 shall payable on the date that is 364 days after the Closing Date; (e) \$630,000 shall payable on the date that is 366 days after the Closing Date; and (f) \$630,000 shall payable on the date that is 729 days after the Closing Date;. In addition, should Lender and Borrower agreed to extend the Maturity Date by an additional year, a further facility fee in the amount of \$630,000 is payable on the date that is two years from the Closing Date. Should Borrower prepay and cancel the Loans in full prior to the Maturity Date, or if Lender demands repayment of the Loans as a result of the occurrence of an Event of Default, any remaining portion of the Facility Fee shall be due and payable in full as Obligations hereunder.
3. **Collateral Monitoring Fee:** A fully earned and non-refundable collateral monitoring fee of \$5,000 per month or each part thereof, payable in advance in beginning on the Closing Date and on the first Business Day of each month thereafter.
4. **Prepayment Fee:** An amount equal to: (a) six months' interest on the then current Maximum Amount, if Lender's obligation to make further Advances is terminated (voluntarily by Borrower, upon Default or otherwise) on or after the Closing Date and on or before the first anniversary of the Closing Date, payable on the Commitment Termination Date; and (b) \$0, thereafter. Borrower acknowledges and agrees that: (i) it would be difficult or impractical to calculate Lender's actual damages from early termination of Lender's obligation to make further Advances for any reason pursuant to Section 1.2(c) or Section 7.2; (ii) the Prepayment Fees provided above are intended to be fair and reasonable approximations of such damages; and (iii) the Prepayment Fees are not intended to be penalties.
5. **Field Examination Fees:** Borrower will reimburse Lender for Lender's reasonable charges in respect of audit reviews, Field Examinations and collateral examinations to the extent permitted hereunder, including the standard charges of the Lender's field examiner, and all out-of-pocket expenses incurred in connection therewith and applicable taxes.
6. **Appraisal Fees:** Borrower will reimburse Lender for all reasonable out-of-pocket expenses incurred by Lender in connection with the appraisals of Inventory and Equipment conducted for Lender by an appraisal firm acceptable to Lender.
7. **Miscellaneous Fees:** Borrower shall be liable for all of Lender's reasonable out-of-pocket customary miscellaneous fees for activities undertaken by Lender, including additional uploads, amendments, waivers and other matters.

SCHEDULE E

SCHEDULE OF DOCUMENTS

The obligation of Lender to make the initial Advances and extend other credit is subject to satisfaction of the condition precedent that Lender shall have received the following, each, unless otherwise specified below or the context otherwise requires, dated the Closing Date, in form and substance satisfactory to Lender and its counsel:

PRINCIPAL LOAN DOCUMENTS

1. Loan Agreement. This Agreement duly executed by Borrower and the other Credit Parties party thereto.
2. Borrowing Base Certificate. A Borrowing Base Certificate duly executed by an Authorized Officer of Borrower.
3. Notice of Advance. An original Notice of Advance duly executed by an Authorized Officer of Borrower.
4. Warrants. Common share purchase warrants, in a form satisfactory to Lender, to acquire 225,000 common shares in the capital of the Borrower for a period of 60 months, with an exercise price equal to 25% above the closing price as of the Closing Date, provided that the delivery of same shall be completed in accordance with, and subject to, Section 2.3 of this Agreement.

COLLATERAL DOCUMENTS

1. Acknowledgement Copies of Financing Statements. Acknowledgement copies of proper financing statements and notices of recording under the PPSA duly filed in all jurisdictions as may be necessary or, in the opinion of Lender, desirable to perfect Lender's Lien on the Collateral.
2. Searches. Certified copies of PPSA searches or other evidence satisfactory to Lender, listing all effective financing statements and recordations which name Borrower and each other applicable Credit Party (under present name, any previous name or any trade or doing business name) as debtor and together with copies of such other financing statements.
3. GSAs/Hypothecs. General security agreements and hypothecs of moveable property from each Credit Party granting a first priority Lien, subject to Permitted Encumbrances, in favour of Lender, in form and substance satisfactory to Lender in its sole, unfettered discretion (but not contradicting the terms hereof).
4. Pledge of Shares. A pledge of all of the issued and outstanding shares of each direct and indirect Subsidiary of the Borrower, including as at the Closing Date, each of the Guarantors, together with the original share certificates representing such shares.
5. Intellectual Property Documents. Agreements relating to the granting to Lender of a security interest in Intellectual Property of Borrower to the extent applicable in a form suitable for filing with the appropriate federal filing office.
6. Other Recordings and Filings. Evidence of the completion of all other recordings and filings (including termination statements and other Lien release documentation) as may be necessary or, in the opinion of and at the request of Lender, desirable to perfect Lender's Lien on the Collateral and ensure such Collateral is free and clear of other Liens (except Permitted Encumbrances).
7. Accounts Receivable Insurance. If any Credit Party obtains any accounts receivable insurance, an assignment of accounts receivable insurance in favour of Lender in a form satisfactory to Lender.

THIRD PARTY AGREEMENTS

1. Landlord and Mortgagee Consents. Unless otherwise agreed to in writing by Lender, duly executed landlord (in form and substance satisfactory to Lender in its sole discretion), bailee, third party distributor and mortgagee waivers and consents from the landlords, bailees, third party distributors and mortgagees of all of Borrower's leased or owned locations where Collateral is held, in each case, in form and substance satisfactory to Lender.
2. Cash Management System. Duly executed Blocked Accounts Agreement and, if required by Lender, pledged account agreements in respect of the Disbursement Accounts as contemplated by Schedule C.
3. Guarantees and Postponements. Guarantees and Postponements of Claim executed by the following each of the Guarantors.

OTHER DOCUMENTS

1. Insurance Policies. Originals or copies of insurance policies described in Section 3.16, together with evidence showing loss payable or additional insured clauses or endorsements in favour of Lender.
2. Existing Lease Agreements. Copies of any existing real property leases and equipment leases to which Borrower is a party and any other document or instrument evidencing or relating to existing Indebtedness of Borrower, together with all certificates, opinions, instruments, security documents and other documents relating thereto, all of which shall be satisfactory in form and substance to Lender, certified by an Authorized Officer of Borrower as true, correct and complete copies thereof.
3. CRA Consent. Canada Revenue Agency ("**CRA**") business consent form whereby each Credit Party requested by Lender provides its authorization and consent for Lender to communicate directly with CRA.

SCHEDULE F

MATERIAL CONTRACTS

1. Sub-Lease Agreement dated January 1, 2019 with Irene's Bakery Ltd., in respect of the Victoria.
2. The Lease Agreement with Hudson Retail Inc., (current location of the Victoria Butcher Shop & Restaurant)
3. Industrial Lease with MPW Properties Partnership in respect of the Rupert Facility.
4. dated January 22, 2020 with Nicola V.A. Nickel Inc. in respect of Mount Pleasant.
5. The Lease Agreement dated August 31, 2020 with Traina Pacific, Inc. in respect of the Patterson Facility.
6. Lease dated September 22, 2020 with Khanuja Investments Ltd. (new location of the Victoria Butcher Shop & Restaurant).

EXHIBIT A
FORM OF NOTICE OF ADVANCE

(Letter to be typed on Borrower's Letterhead)

[DATE]

Waygar Capital Inc.
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: Aaron Ehgoetz, Mark Wilk and Don Rogers
Email: aehgoetz@waygarcapital.com, mwilk@waygarcapital.com, and drogers@waygarcapital.com

BORROWING NOTICE

We refer to the loan agreement dated as of June 7, 2021 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Agreement**"; capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement), among The Very Good Food Company Inc. ("**Borrower**") and Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Lender**").

We hereby instruct and authorize Lender to make Revolving Credit Advances to our disbursement account(s), subject to and in accordance with the terms and provisions of the Agreement to the account numbers specified below and to charge Borrower's loan account with each such Revolving Credit Advance(s).

Borrower hereby request an advance (the "**Advance**") be made as follows:

A. The date of Advance: _____

B. Type/amount of Advance:

Canadian Dollar Interest Rate based Advance (CAD\$): _____

US Dollar Interest Rate based Advance (US\$): _____

C. Proceeds of the Advance are to be directed as follows:

CAD\$ #: _____

US\$ #: _____

Borrower hereby confirms as follows:

- (a) Each of the representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and

as of the date hereof as if made on and as of such date, except as Lender may have otherwise agreed to herein or in a separate writing.

- (b) No Default has occurred as of the date hereof or will occur after the making of the Advance(s) requested hereunder.

DATED this __ day of _____, 20__.

BORROWER:

THE VERY GOOD FOOD COMPANY INC.

By: _____

Name:
Title:

EXHIBIT B

OTHER REQUIRED REPORTS AND INFORMATION

Nil



EXHIBIT C

FORM OF BORROWING BASE CERTIFICATE

(See Attached)



TO: WAYGARCAPITAL
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1



Date: _____

Report #: _____

Facility Limit Revolver \$ 20,000,000
 Facility Limit Term Loan \$ 50,000,000

	Facility #	01	02	11	12	13	20
		Date of Collateral					
		Currency	CAD\$	CAD\$	CAD\$	CAD\$	CAD\$
	Collateral	AR - VGFC	AR - NUT	Raw Materials	Packaging	Finished Goods	Machinery & Equipment
1	Balance Carried Forward from Line 4 of Prior Certificate						
2	Additions Since Prior Certificate (Gross Sales / Purchases)						
3	Subtractions Since Prior Certificate (Gross Collections / Cost of Goods Sold)						
3a	Credit Notes	-	-				
3b	Non A/R Cash	-	-				
3c	Other Adjustments (Decreases)/ Increases since Prior Certificate (FX)	-	-			-	-
4	Balance at Computation Date (1+2+3)***	-	-	-	-	-	-
5	Less Ineligibles						
6	Net Eligible Collateral (4-5)						
7	Advance Rate	85.00%	85.00%	65.00%	65.00%	65.00%	85.00%
8	Borrowing Base Availability (6*7)	-	-	-	-	-	-
9	Sublimit Per Collateral Category				3,000,000.00		
10	Net Borrowing Base Availability (Lessor of 8 or 9)	-	-	-	-	-	-

AVAILABILITY

11	Total Borrowing Base						
12	Reserve - Employee Taxes, WEPPA						
	Reserves - Interest, monitoring fees						
	Reserves - Closing Fees & other						
	Total Reserves						
	Total Net Availability						
13	Loan Balance(s)						
14	Excess Available before Borrowing						
15	Today's Requested Advance						
16	Excess Available after Borrowing (14-15)						

By: Kamini Hitkari

Title: CFO

We refer to the Loan Agreement between Very Good Food Company Inc. and Lender dated TBD (the "Loan Agreement"). Terms used but not otherwise defined in this Certificate have the meaning provided for in the Loan Agreement.
 Borrower hereby certifies and warrants to you that the following is a true and correct computation as of the date set forth above (the "Computation Date") of the Borrowing Base, and all account balance changes since the previous Borrowing Base Certificate provided to you (the "Prior Certificate").

Very Good Ineligibles	
AR (VGFC)	
	31-Mar
Past Due AR > 60 days past invoice date	20,000
Credits in Prior	-
Cross Age - 50%	-
Contra/Deferred Revenue	-
Dilution Reserve - 5.5%	8,910
Interco / Related Party	-
Bill & Hold	-
Volume Rebates	-
Debit Memos	-
Account in Collections	-
Concentration Reserve	-
	-
	<u>28,910.00</u>
AR (CULTURED NUT)	
	31-Mar
Past Due AR > 60 days past invoice date	-
Credits in Prior	-
Cross Age - 50%	-
Contra/Deferred Revenue	-
Dilution Reserve - 5.5%	1,320
Interco / Related Party	23,000
Bill & Hold	-
Volume Rebates	-
Debit Memos	-
Account in Collections	-
Concentration Reserve	-
	-
	<u>24,320.00</u>
RAW MATERIALS	
	31-Mar
Packaging and Suppliers	-
Ineligible Locations <\$50M	15,000
Costing Error - FG Conversion Costs	-
	-
	<u>15,000.00</u>
PACKAGING & SUPPLIES	
	31-Mar
Packaging and Suppliers	325,000
Ineligible Locations <\$50M	-
Costing Error - FG Conversion Costs	-
	-
	<u>325,000.00</u>
FINISHED GOODS	
	31-Mar
Packaging and Suppliers	-
Ineligible Locations <\$50M	31,000
Costing Error - FG Conversion Costs	113,000
	-
	<u>144,000.00</u>

Very Good AR Ineligibles Calculations

Please insert AR Ineligible calculations



Total Sales \$ -

Please insert subledger



Total Collections \$ -

Please insert subledger

Total Credits \$ -

Please insert subledger

AC

Total Non AR Cash \$ -

Please insert subledger

Total Other adjustments \$ -

RC

In addition please submit

AR Summary aging

AR Detailed aging

AP Summary aging

Bank Statements

Trial Balance / General Ledger

Priority Payables POP

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Lender**")

The undersigned, _____ [**TITLE of AUTHORIZED OFFICER**], of The Very Good Food Company Inc. ("**Borrower**"), pursuant to the provisions of the loan agreement dated as of June 7, 2021, among, *inter alia*, Lender and Borrower (as amended, restated, supplemented, replaced or otherwise modified from time to time the "**Agreement**"), **DOES HEREBY CERTIFY** in [**his/her**] capacity as an authorized officer of Borrower and not in [**his/her**] personal capacity that:

1. The Financial Statements attached hereto fairly and accurately represent Credit Parties' financial condition at the end of the particular accounting period set out in such Financial Statements, as well as Credit Parties' operating results during such accounting period, subject to year-end audit adjustments;
2. A review of such Financial Statements and of the activities of Credit Parties' during the period covered by such Financial Statements has been made under my supervision with a view to determining whether Borrower and the Subsidiaries have fulfilled all of their obligations;
3. From the commencement of the accounting period set out in such Financial Statements to the date hereof:
 - (a) each of Credit Parties has fulfilled each of its respective obligations under each of the Loan Documents to which it is a party;
 - (b) there has been no Default or Event of Default under the Agreement;
 - (c) Borrower is not aware of any event or circumstance which could reasonably have or could reasonably have had a Material Adverse Effect;
 - (d) the representations and warranties contained in the Agreement and the other Loan Documents are correct in all material respects on and as of the date hereof as though made on and as of such date, other than any such representation or warranty which relates to a specified prior date and except to the extent that Lender has been notified in writing by Borrower that any representation or warranty is not correct and Lender has explicitly waived in writing compliance with such representation or warranty;
 - (e) Credit Parties have been in full compliance with all covenants set out in the Agreement, including Financial Covenants as evidenced by the calculations attached hereto as Attachment 1 (but, for certainty, subject to the proviso at the end of Section 5.1);
 - (f) no new Subsidiaries were formed or acquired since the end of the previous Fiscal Quarter **[other than each of the following which have become Credit Parties in accordance with Section 3.7 or 5.2(a) of the Credit Agreement]: [If acquired or formed, indicate for each such Subsidiary, the date of the formation or acquisition];**
 - (g) no change in GAAP or in the application thereof has occurred since the date of the most recent audited annual Financial Statements of Borrower delivered to Lender **[If a change has occurred, specify the details of the change and its effect on the accompanying Financial Statements];** and

[if any of the foregoing is incorrect, revise wording accordingly to include particulars of any variation.]

4. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate on behalf of Borrower as of the _____ day of _____, 20____.

By: _____

Name:

Title of Authorized Officer

NK

ATTACHMENT "1" TO EXHIBIT D

FINANCIAL COVENANTS

COMPANY NAME

THE VERY GOOD FOOD COMPANY INC.

QUARTERLY CERTIFICATE

_____ 20__

A. ■

DISCLOSURE SCHEDULE (3.2)
CORPORATE NAMES

Credit Party	Chief Executive Office	Corporate Offices	Warehouses and other locations of collateral	Other trade names etc.
The Very Good Food Company Inc.	2748 Rupert Street, Vancouver, BC	<p>2748 Rupert Street, Vancouver, BC</p> <p>#300 - 225 West 8th Avenue, Vancouver, BC (Co-working office space pursuant to Membership Agreement)</p>	<p>2748 Rupert Street, Vancouver, BC;</p> <p>2768 Rupert Street, Vancouver, BC;</p> <p>2774 Rupert Street, Vancouver, BC;</p> <p>2788 Rupert Street, Vancouver, BC;</p> <p>295 West 5th Avenue, Vancouver, BC;</p> <p>2527 Government Street, Victoria, BC;</p> <p>S12 - 1701 Douglas St #6, Victoria, BC V8W 0C1 - to be replaced with new restaurant location - at 102 – 515 Chatham Street, Victoria, BC in late June 2021;</p> <p>941 Ellery St., Victoria, BC;</p> <p>Suite 110-2630 Bridge St., Victoria, BC;</p> <p>Suite 112 – 2614 Bridge St., Victoria, BC;</p> <p>Unit #6, 744 Fairview Road, Victoria, BC;</p> <p><u>Third party locations:</u></p> <p>18351 McCartney Way, Richmond, BC (CDS)</p> <p>1000 Centerpoint Blvd. New Castle, DE (Burris)</p>	The Very Good Butchers

Credit Party	Chief Executive Office	Corporate Offices	Warehouses and other locations of collateral	Other trade names etc.
			340 S. 1st Street, Patterson, CA (SPWG) 101 937 Dunford Ave., Victoria BC (Coldstar)	
The Very Good Butchers Inc.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A
1218158 B.C. Ltd.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A
1218169 B.C. Ltd.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A
VGFC Holdings LLC	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	220 S. 1 st Street, Patterson, CA	N/A
The Cultured Nut Inc.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	Unit #6, 744 Fairview Road, Victoria, BC	N/A
Lloyd-James Marketing Group Inc.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A

JK

DISCLOSURE SCHEDULE (3.6)**REAL ESTATE; PROPERTY**

Credit Party	Owned Real Property	Leased/Licensed Real Property
The Very Good Food Company Inc.	None.	S12 – 6-1701 Douglas Street, Victoria, BC; 102 – 515 Chatham Street, Victoria, BC; Suite 110-2630 Bridge St., Victoria, BC; 941 Ellery St., Victoria, BC; Suite 112 – 2614 Bridge St., Victoria, BC; 2748 Rupert Street, Vancouver, BC; 2768 Rupert Street, Vancouver, BC; 2774 Rupert Street, Vancouver, BC; 2788 Rupert Street, Vancouver, BC; 295 West 5 th Avenue, Vancouver, BC; and 2527 Government Street, Victoria, BC.
The Very Good Butchers Inc.	None.	None.
1218158 B.C. Ltd.	None.	None.
1218169 B.C. Ltd.	None.	None.
VGFC Holdings LLC	None.	220 S. 1 st Street, Patterson, CA
The Cultured Nut Inc.	None.	None.
Lloyd-James Marketing Group Inc.	None.	None.

DISCLOSURE SCHEDULE (3.7)
SHARES; AFFILIATES

Credit Party	Shareholders	Options/Warrants etc.
The Very Good Food Company Inc.	Widely held (public)	See Below
The Very Good Butchers Inc.	The Very Good Food Company Inc. - 1 Common Share	None
1218158 B.C. Ltd.	The Very Good Food Company Inc. - 1 Common Share	None
1218169 B.C. Ltd.	The Very Good Food Company Inc. - 1 Common Share	None
VGFC Holdings LLC	The Very Good Food Company Inc. - 100% Interest	None
The Cultured Nut Inc.	The Very Good Food Company Inc. - 100 Class A Non-Voting Common Shares	None
Lloyd-James Marketing Group Inc.	The Very Good Food Company Inc. - 10,000 Common Shares	None

Outstanding Warrants and Stock Options of The Very Good Food Company Inc.

Warrants

The following table summarizes information about warrants of The Very Good Food Company Inc.'s warrants that are outstanding and exercisable at June 1, 2021. Warrants are exercisable only for common shares, unless otherwise noted.:

Exercise price	Expiry date	Warrants outstanding
\$ 1.60	August 13, 2021	45,000
\$ 1.51	October 6, 2021	60,000
\$ 7.60	December 21, 2021	60,000
\$ 1.30	February 7, 2022	12,862*
\$ 2.00	February 7, 2022	564,283
\$ 2.00	February 13, 2022	44,232
\$ 3.50	June 4, 2022	57,441**
\$ 4.50	June 4, 2022	1,552,633
		2,396,451

* Exercisable to acquire one unit at \$1.30 per unit until February 7, 2022. Each unit consists of one common share and one-half of one warrant, with each whole warrant exercisable at \$2.00 until February 7, 2022.

** Exercisable to acquire one unit at \$3.50 per unit until June 4, 2022. Each unit consists of one common share and one-half of one warrant, with each whole warrant exercisable at \$4.50 until June 4, 2022.

Options

The following is a summary of the options that have been issued to directors, officers, employees and consultants of The Very Good Food Company Inc. pursuant to its stock option plan and are outstanding as at June 1, 2021.

Exercise price	Stock options outstanding	Stock options exercisable	Expiry date
\$ 1.31	10,000	10,000	August 19, 2021
\$ 9.07	5,000	2,500	December 7, 2023
\$ 6.21	390,000	—	January 4, 2024
\$ 7.10	60,000	—	January 26, 2024
\$ 7.03	900,000	25,000	January 29, 2024
\$ 6.73	75,000	—	February 16, 2024
\$ 5.72	35,000	—	March 8, 2024
\$ 0.25	1,006,500	1,006,500	December 31, 2024
\$ 0.25	1,262,500	1,262,500	January 1, 2025
\$ 0.25	165,000	165,000	June 17, 2025
\$ 1.31	100,000	100,000	June 24, 2025
\$ 1.56	50,000	50,000	August 7, 2025
\$ 1.65	30,000	30,000	September 4, 2025
\$ 1.70	5,506	2,753	September 17, 2025
\$ 1.68	250,000	166,667	September 21, 2025
\$ 1.60	100,000	100,000	October 7, 2025
\$ 1.74	16,666	16,666	October 13, 2025
\$ 4.65	522,300	330,825	November 24, 2025
\$ 8.86	150,000	37,500	December 5, 2025
\$ 7.03	2,300,000	25,000	January 29, 2026
\$ 6.21	750,000	750,000	March 4, 2026
	8,183,472	4,080,911	

DISCLOSURE SCHEDULE (3.9)

TAXES

Nil.



DISCLOSURE SCHEDULE (3.11)

PENSION PLANS

Nil.

DISCLOSURE SCHEDULE (3.12)

LITIGATION

Nil.

JK

DISCLOSURE SCHEDULE (3.13)

MATERIAL INTELLECTUAL PROPERTY

Trademarks

The following trademarks have either been applied for, or registered, in the United States:

- (i) The Very Good Butchers/Plant Based Butchery logo (with British Columbia reference and Maple Leaf) – Registration No. 6,342,668
- (ii) Our old Very Good Food Co. logo – Application submitted and under review - Serial No. #88673876
- (iii) We Butcher Beans logo – Application submitted and under review – Serial No. #88758241

The following trademarks have been applied for in Canada:

- (i) The Very Good Butchers /Plant Based Butchery logo (with British Columbia reference and Maple Leaf) – Application No. 1993204
- (ii) Our old Very Good Food Co. logo – Application No. 1993200
- (iii) We Butcher Beans logo – Application No. 2005415

The following trademarks have been registered in the European Union

- (i) The Very Good Butchers /Plant Based Butchery logo (with British Columbia, Canada reference) – Registration No. 018293272
- (ii) Our old Very Good Food Co. logo – Registration No. 018142796
- (iii) “We Butcher Beans” word mark – Registration No. 018142798

The following trademarks have been registered in the United Kingdom:

- (i) The Very Good Butchers /Plant Based Butchery logo (with British Columbia, Canada reference) – Registration No. 00918293272
- (ii) Our old Very Good Food Co. logo – Registration No. 00918142796
- (iii) “We Butcher Beans” word mark – Registration No. 00918142798

Trade Secrets

Certain proprietary information related to recipes, formulas and production methods.

JK

DISCLOSURE SCHEDULE (3.15)

ENVIRONMENTAL MATTERS

Nil.

PK

DISCLOSURE SCHEDULE (3.16)**INSURANCE**

Name of Insured	Insurer	Policy Number	Policy Type
The Very Good Food Company Inc.	Intact Insurance Company	502510950	Property and Equipment
The Very Good Food Company Inc.	Intact Insurance Company	502510950	Commercial General Liability
The Very Good Food Company Inc.	RSA through Coast Underwriters Limited Company	WC2021/83	Marine Cargo
The Very Good Food Company Inc.	Intact Insurance Company	50C589825	Builder's Risk (locations under construction)
The Very Good Food Company Inc.	Intact Insurance Company	5EB589827	Builder's Risk Equipment Breakdown (locations under construction)
The Very Good Food Company Inc.	Zurich Insurance Company	8618196	Directors and Officers Liability
The Very Good Food Company Inc.	Axis Reinsurance Company	8618196	1 st Excess Directors and Officers Liability
The Very Good Food Company Inc.	Allied World Specialty Insurance Company	8618196	Side 'A' Excess Directors and Officers Liability

DISCLOSURE SCHEDULE (5.2(B))**INDEBTEDNESS**

- Lease agreement 10944540 between The Cultured Nut Inc. and Bodkin Capital Corporation
- Lease agreement 50010300 between The Cultured Nut Inc. and Bodkin, a Division of Bennington Financial Corp.
- Lease agreement 20001270 between The Very Good Butchers Inc. and Equirex, a Division of Bennington Financial Corp.
- Equipment lease regarding PDC 700 trolley mounted sausage clipper between The Very Good Butchers Inc. and Arbutus Capital Leasing Ltd.
- Equipment leases between The Very Good Food Company Inc. and Reiser (Canada) Co.
- Vehicle lease between The Very Good Food Company Inc. and Form Credit Canada Leasing, Division of Canadian Road Leasing Company
- Equipment leases between The Very Good Food Company Inc. and ATCO Structures & Logistics Ltd.
- Equipment lease between The Very Good Food Company Inc. and Toyota Industries Commercial Finance
- \$100,000 Cash Secured Credit Card Facility between The Very Good Food Company Inc. and Royal Bank of Canada (without duplication of the same Indebtedness permitted pursuant to Section 5.2(b))
- \$900,000 of Indebtedness to be incurred in connection with the Borrower's Global Payment Transfer Systems provided by Royal Bank of Canada (without duplication of the same Indebtedness permitted pursuant to Section 5.2(b))

K

DISCLOSURE SCHEDULE (5.2(E))**LIENS**

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
The Cultured Nut Inc.	Bodkin Capital Corporation	798058K	JUN 01, 2018	JUN 01, 2022	<p>PURSUANT TO LEASE AGREEMENT 10944540, ALL PRESENT AND FUTURE</p> <p>EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 10944540 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE,</p> <p>ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY</p> <p>DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF</p> <p>TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR</p> <p>COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING: R30T ROBOT COUPE S/N 6270112013L-02</p>
The Cultured Nut Inc.	Bodkin, a Division of Bennington Financial Corp.	319728M	JUL 06, 2020	JUL 06, 2026	<p>PURSUANT TO LEASE AGREEMENT 50010300, ALL PRESENT AND FUTURE EQUIPMENT</p> <p>ENCOMPASSED BY LEASE AGREEMENT 50010300 TOGETHER WITH ALL ATTACHMENTS</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN</p> <p>ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH</p> <p>COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS,</p> <p>RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY</p> <p>AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND</p> <p>ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE</p> <p>TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT</p> <p>LIMITED TO THE FOLLOWING 1 MKET20T 20QT ELECTRIC MIXER KETTLE</p>
The Cultured Nut Inc.	Bodkin, a Division of Bennington Financial Corp.	585129M	NOV 10, 2020	NOV 10, 2026	<p>PURSUANT TO LEASE AGREEMENT 50011880, ALL PRESENT AND FUTURE EQUIPMENT</p> <p>ENCOMPASSED BY LEASE AGREEMENT 50011880 TOGETHER WITH ALL ATTACHMENTS</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN</p> <p>ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS,</p> <p>RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY</p> <p>AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND</p> <p>ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE</p> <p>TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT</p> <p>LIMITED TO THE FOLLOWING 1 1343 IRINOX 1343 / ICY SMALL - SMALL BLAST</p> <p>CHILLER/SHOCK FREEZER</p>
The Very Good Food Company Inc.	Resier (Canada) Co.	305464M	JUN 29, 2020	JUN 29, 2025	<p>ONE AMFEC 510 MIXER BLENDER.</p> <p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND</p> <p>INCLUDING ALL PROCEEDS THEREOF.</p>
The Very Good Food Company Inc.	Resier (Canada) Co.	305475M	JUN 29, 2020	JUN 29, 2025	ONE VEMAG HP-20E CONTINUOUS STUFFER AND LOADER, ONE VEMAG HP-3 CO-EX

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>(ALGINATE) GEL PUMP, ONE VEMAG CC215 CRIMPER/CUTTER AND OPTIONS, ONE</p> <p>IN-LINE GRINDER-982 WITHOUT SEPARATING, ONE CUT-OFF AND FLATTENING</p> <p>CONVEYOR, ONE SEYDELMANN AC-CUTTER K-556 AC-8, ONE AMFEC 510 C02</p> <p>MIXER BLENDER WITH PLC CONTROLS AND VACUUM SYSTEM ONLY, ONE AMFEC 2-3K2 COLUMN DUMPER WITH PORTABLE BASE, AND QUANTITY OF 10 VEMAG CARTS.</p> <p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND</p> <p>INCLUDING ALL PROCEEDS THEREOF.</p>
The Very Good Food Company Inc.	Resier (Canada) Co.	707758M	JAN 14, 2021	JAN 14, 2028	<p>ONE AMFEC MODEL 510 VACUUM MIXER BLENDER W/C02.</p> <p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.
The Very Good Food Company Inc.	Resier (Canada) Co.	711288M	JAN 15, 2021	JAN 15, 2026	ONE SEYDELMANN K756 AC-8 CUTTER ON SALES AGREEMENT RCC-20-0468.4.R2, DATED AND SIGNED JANUARY 6, 2021. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.
The Very Good Food Company Inc.	Resier (Canada) Co.	711351M	JAN 15, 2021	JAN 15, 2026	TWO AMFEC BRINE TANKS (400 GALLON), ONE AMFEC WORK PLATFORM FOR BRINE TANKS, TWO AMFEC MODEL 15C DIRECT PIVOT DUMPERS, TWO AMFEC 2- 3K2 COLUMN DUMPERS, TWO AMFEC 510 C02 MIXER BLENDEERS (2,500 LB), ONE AMFEC WORK PLATFORM FOR AMFEC MIXERS. QTY OF 20 - VEMAG CARTS (200 LITRE), AND ONE VEMAG PARTS STORAGE CART. SALES AGREEMENT RCC-20-0468.4.R2, DATED AND SIGNED JANUARY 6, 2021.

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND</p> <p>INCLUDING ALL PROCEEDS THEREOF.</p>
The Very Good Food Company Inc.	<p>Ford Credit Canada Leasing, Division</p> <p>Of Canadian Road Leasing Company</p>	744902M	FEB 02, 2021	FEB 02, 2024	<p>TYPE: MV</p> <p>SERIAL #: 1FTFW1E59MKD03176</p> <p>YEAR: 2021</p> <p>MAKE/MODEL: FORD F150</p> <p>MH REG.#</p>
The Very Good Food Company Inc.	ATCO Structures & Logistics Ltd.	747569M	FEB 03, 2021	EB 03, 2022	<p>TYPE: MH</p> <p>SERIAL #: 260200512</p> <p>YEAR: 2020</p> <p>MAKE/MODEL: OFFICE 12X60</p> <p>MH REG.# NR</p> <p>TYPE: MH</p> <p>SERIAL #: 260209897</p> <p>YEAR: 2020</p> <p>MAKE/MODEL: OFFICE 12X60</p> <p>MH REG.# NR</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
The Very Good Food Company Inc.	Toyota Industries Commercial Finance Canada, Inc.	753878M	FEB 05, 2021	FEB 05, 2026	MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS, ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT)
The Very Good Food Company Inc.	Royal Bank of Canada	398441M	AUG 12, 2020	AUG 12, 2025	MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS,

AK

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS),</p> <p>MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.</p>
The Very Good Butchers Inc.	Equirex, a Division of Bennington Financial Corp.	153958L	NOV 15, 2018	NOV 15, 2022	<p>PURSUANT TO LEASE AGREEMENT 20001270, ALL PRESENT AND FUTURE EQUIPMENT</p> <p>ENCOMPASSED BY LEASE AGREEMENT 20001270 TOGETHER WITH ALL ATTACHMENTS</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN</p> <p>ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH</p> <p>COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS,</p> <p>RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY</p> <p>AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND</p> <p>ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE</p> <p>TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					LIMITED TO THE FOLLOWING 1 FREY KONTI F50 CONTINUOUS VACUUM FILLER
The Very Good Butchers Inc.	Arbutus Capital Leasing Ltd.	253571L	JAN 09, 2019	JAN 09, 2023	<p>(1) PDC 700 TROLLEY MOUNTED SAUSAGE CLIPPER</p> <p>TOGETHER WITH ALL ATTACHMENTS, PARTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO,</p> <p>ALL EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN,</p> <p>ALL PROPERTY TO WHICH THE GOODS DESCRIBED HEREIN MAY BECOME ATTACHED, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY</p> <p>FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN</p> <p>INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES</p> <p>FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.</p> <p>PROCEEDS-ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY THAT MAY</p> <p>BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL</p> <p>DESCRIBED ABOVE AND ANY PROCEEDS THEREOF.</p>
The Very Good Butchers Inc.	Silver Chef Rentals Inc	042984M	FEB 04, 2020	FEB 04, 2022	ALL RESTAURANT, FOOD-PREPARATION/MANUFACTURING/PACKAGING,

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>DRINKPREPARATION/DISPENSING, REFRIGERATION/FREEZER INCLUDING WALK-INS, FOOD-DISPLAY, DISH/GLASS WASHING, ICE MACHINES, ICE CREAM EQUIPMENT, VENTILATION, STAINLESS STEEL EQUIPMENT, SMALL WARES, FURNITURE, AUDIO VISUAL, POINT-OF-SALE, COMPUTERS AND RELATED EQUIPMENT, AND ALL OTHER GOODS, FROM TIME TO TIME HIRED OUT, LEASED, OTHERWISE SUPPLIED OR FINANCED BY THE SECURED PARTY (DIRECTLY OR INDIRECTLY) TO OR FOR THE BENEFIT OF THE DEBTOR (INCLUDING WITHOUT LIMITATION THOSE SUPPLIED FROM TIME TO TIME PURSUANT TO ANY EXISTING OR FUTURE RENTAL OR LEASE AGREEMENTS). ALL PROCEEDS THAT ARE GOODS, INTANGIBLES, INSTRUMENTS, MONEY, DOCUMENTS OF TITLE, CHATTEL PAPER AND INVESTMENT PROPERTY.</p>

JK

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "Amendment") is made as of the 6th day of July, 2022, among **WAYGAR CAPITAL INC., AS AGENT FOR NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.** (the "Lender"), **THE VERY GOOD FOOD COMPANY** (the "Borrower") and each of **1218169 B.C. LTD., 1218158 B.C. LTD., THE VERY GOOD BUTCHERS INC., THE CULTURED NUT INC., LLOYD-JAMES MARKETING GROUP INC., and VGFC HOLDINGS LLC** (collectively, the "Guarantors").

RECITALS

- A. The Lender, the Borrower and the Original Guarantors entered into a loan agreement dated June 7, 2021 (as amended, restated, supplemented or replaced from time to time, the "Loan Agreement"); and
- B. The Borrower has requested, and the Lender has agreed subject to the terms and conditions hereof, to make certain amendments to the terms of the Loan Agreement.

NOW THEREFORE, in consideration of the covenants and agreements contained in this Amendment, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Loan Agreement.
2. **Amendments to Loan Agreement.** The Loan Agreement is hereby amended by deleting Schedule D to the Loan Agreement and replacing it with Annex D attached hereto.
3. **Acknowledgment and Confirmation.** The Security Agreements (including, without limitation, any guaranties) shall continue in full force and effect as general continuing collateral security for any and all of the indebtedness, liabilities and obligations of the Borrower and the Original Guarantors to the Lender, and the Security Agreements given by the Borrower and the Original Guarantors, and the security interests created by the Security Agreements shall charge the property of the Borrower and the Original Guarantors in accordance with the terms thereof.
4. **Conditions Precedent.** The effectiveness of this Amendment shall be conditional upon each of the following, each of which must be fulfilled by the Credit Parties in form and substance satisfactory to the Lender or waived by the Lender in writing prior to the effectiveness hereof
 - (a) receipt, by the Lender, of an executed copy of this Amendment; and
 - (b) receipt, by the Lender, of the \$630,000 portion of the Facility Fee due on the date that is 364 days after the Closing Date.
5. **Undertaking.** The Borrower undertakes and agrees to, by not later than 60 days from the date hereof, to enter into a further amendment to the Loan Agreement to the Loan Agreement, to (a) address the closing of bank accounts and the delivery of the Blocked Account Agreement; (b) update any disclosure schedules to the Loan Agreement; and (c) amend reporting requirements, all together with such changes and updates as the parties may further agree, and to provide all of the documents, instruments and security reasonably required by the Lender in connection therewith. Failure to comply with the foregoing undertaking will be an Event of Default under the Loan Agreement.
6. **Representations and Warranties.** Each of the Credit Parties hereby represents and warrants to the Lender as follows:

- (a) it has all requisite power and authority to execute this Amendment and any other agreements or instruments required hereunder and to perform all obligations hereunder, and this Amendment constitutes legal, valid and binding obligations, enforceable in accordance with its terms;
 - (b) the execution, delivery and performance by it of this Amendment and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate or other action and do not require any authorization, consent or approval by any Governmental Entity or other Person, or violate any Applicable Laws;
 - (c) all of the representations and warranties contained in Loan Agreement are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date; and
 - (d) no Event of Default has occurred.
7. **References.** All references in the Loan Agreement to "this Agreement" shall be deemed to refer to the Loan Agreement as amended hereby; and any and all references in the other Loan Documents to the Loan Agreement shall be deemed to refer to the Loan Agreement as amended hereby. This Amendment is a Credit Document.
8. **No Other Changes.** Except as explicitly amended by this Amendment, all of the terms and conditions of the Loan Agreement shall remain in full force and effect and un-amended hereby.
9. **Costs and Expenses.** The Borrower reaffirms its agreement under the Loan Agreement to pay or reimburse the Lender on demand for all costs and expenses incurred by the Lender in connection with the Loan Documents, including without limitation all reasonable fees and disbursements of legal counsel. Without limiting the generality of the foregoing, the Borrower specifically agrees to pay all fees and disbursements of counsel to the Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto.
10. **Miscellaneous.** This Amendment may be executed in any number of counterparts and delivered by emailed PDF by or other similar electronic method, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Amendment.
11. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario applied to contracts to be performed wholly within the Province of Ontario.

[SIGNATURE PAGE FOLLOWS]

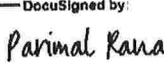


IN WITNESS WHEREOF the Parties hereto have executed this Amendment as of the date first written above.

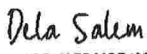
**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

By: 
Name: SAMEER BRUCK
Title: VICE PRESIDENT

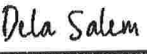
THE VERY GOOD FOOD COMPANY INC.

By: 
Name: Parimal Rana
Title: Chief Executive Officer

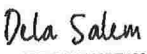
1218169 B.C. LTD.

By: 
Name: Dela Salem
Title: Director

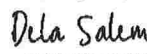
1218158 B.C. LTD.

By: 
Name: Dela Salem
Title: Director

THE VERY GOOD BUTCHERS INC.

By: 
Name: Dela Salem
Title: Director

THE CULTURED NUT INC.

By: 
Name: Dela Salem
Title: Director



LLOYD-JAMES MARKETING GROUP INC.

DocuSigned by:
By: DeLa Salem
Name: DeLa Salem
Title: Director

VGFC HOLDINGS LLC

DocuSigned by:
By: DeLa Salem
Name: DeLa Salem
Title: Director

**ANNEX D
UPDATED SCHEDULE D**

SCHEDULE D

FEES

1. **Unused Line Fee:** For each day from the Closing Date, and through and including the Commitment Termination Date, an amount equal to the then applicable Maximum Amount in respect of the Revolving Credit Loan, less the aggregate of the aggregate amount of Advances outstanding under the Revolving Credit Loan at the end of each day, multiplied by 1% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the Unused Line Fee is payable. The Unused Line Fee for each month (except for the month in which the Commitment Termination Date occurs) is payable in arrears on the first Business Day of each calendar month following the Closing Date; the final monthly instalment of the Unused Line Fee is payable on the Commitment Termination Date. Notwithstanding the foregoing, any unpaid Unused Line Fee is immediately due and payable on the Commitment Termination Date.

2. **Facility Fee:** A fully earned non-refundable facility fee of \$2,520,000 which is fully earned as of the date hereof, which is payable as follows:
 - (a) \$210,000 shall payable on the earlier of: (i) the date that is five (5) Business Days from the Closing Date; and (ii) the date of the initial Advances hereunder;
 - (b) \$105,000 shall be payable on the date that is thirty (30) days from the Closing Date
 - (c) \$105,000 shall be payable on the date that is sixty (60) days from the Closing Date;
 - (c) \$105,000 shall be payable on the date that is ninety (90) days from the Closing Date and
 - (d) \$105,000 shall be payable on the date that is one-hundred and twenty (120) days from the Closing Date;
 - (e) \$630,000 shall payable on the date that is 364 days after the Closing Date;
 - (f) \$105,000 shall be payable on July 1, 2022;
 - (g) \$105,000 shall be payable on August 1, 2022;
 - (h) \$105,000 shall be payable on September 1, 2022;
 - (i) \$105,000 shall be payable on October 1, 2022;
 - (j) \$105,000 shall be payable on November 1, 2022;
 - (k) \$105,000 shall be payable on December 1, 2022; and
 - (l) \$630,000 shall payable on the date that is 729 days after the Closing Date.

In addition, should Lender and Borrower agreed to extend the Maturity Date by an additional year, a further facility fee in the amount of \$630,000 is payable on the date that is two years from the Closing Date. Should Borrower prepay and cancel the Loans in full prior to the Maturity Date, or if Lender demands repayment of the Loans as a result of the occurrence of an Event of Default, any remaining portion of the Facility Fee shall be due and payable in full as Obligations hereunder.

3. **Collateral Monitoring Fee:** A fully earned and non-refundable collateral monitoring fee of \$5,000 per month or each part thereof, payable in advance in beginning on the Closing Date and on the first Business Day of each month thereafter.
4. **Prepayment Fee:** An amount equal to: (a) six months' interest on the then current Maximum Amount, if Lender's obligation to make further Advances is terminated (voluntarily by Borrower, upon Default or otherwise) on or after the Closing Date and on or before the first anniversary of the Closing Date, payable on the Commitment Termination Date; and (b) \$0, thereafter. Borrower acknowledges and agrees that: (i) it would be difficult or impractical to calculate Lender's actual damages from early termination of Lender's obligation to make further Advances for any reason pursuant to Section 1.2(c) or Section 7.2; (ii) the Prepayment Fees provided above are intended to be fair and reasonable approximations of such damages; and (iii) the Prepayment Fees are not intended to be penalties.
5. **Field Examination Fees:** Borrower will reimburse Lender for Lender's reasonable charges in respect of audit reviews, Field Examinations and collateral examinations to the extent permitted hereunder, including the standard charges of the Lender's field examiner, and all out-of-pocket expenses incurred in connection therewith and applicable taxes.
6. **Appraisal Fees:** Borrower will reimburse Lender for all reasonable out-of-pocket expenses incurred by Lender in connection with the appraisals of Inventory and Equipment conducted for Lender by an appraisal firm acceptable to Lender.
7. **Miscellaneous Fees:** Borrower shall be liable for all of Lender's reasonable out-of-pocket customary miscellaneous fees for activities undertaken by Lender, including additional uploads, amendments, waivers and other matters.

This is Exhibit "D" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this “**Agreement**”) is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the “**Lender**”),

- and -

THE VERY GOOD FOOD COMPANY INC., a corporation
incorporated under the laws of British Columbia

(herein called the “**Debtor**”),

WHEREAS:

- A. The Debtor, among others, has entered into the Loan Agreement (as defined below), pursuant to which it will become indebted to the Lender;
- B. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

“**Collateral**” has the meaning given to such term in Section 2.02.

“**Loan Agreement**” means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, and the Debtor, as borrower, as the same may be amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“Obligations” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "**Inventory**";

(c) **Equipment**

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the "**Equipment**";

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the "**Intangibles**";

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee's possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the "**Documents of Title**";

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the "**Money**";

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the "**Chattel Paper**";

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered upon claiming payment thereunder, all of which are herein called the "**Instruments**";

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares,

options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the "**Investment Property**";

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the "**Documents**";

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the "**Proceeds**";

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the "**Leaseholds**"; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the "**Undertaking**".

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the "**Collateral**".

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- 6 -

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of

R

Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.

- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.
- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.

- 8 -

- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the

Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;
- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;

- 11 -

- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;
- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;

- 12 -

- (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and
- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and

- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

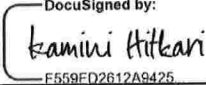
6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

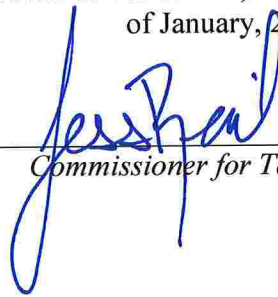
THE VERY GOOD FOOD COMPANY INC.

Per: 
Name: Kamini Hitkari
Title: Chief Financial Officer

Per: _____
Name:
Title:
We have the authority to bind the Corporation



This is Exhibit "E" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits

JK

NOTICE OF SECURITY INTEREST IN INTELLECTUAL PROPERTY

WHEREAS The Very Good Food Company Inc., a corporation incorporated in the Province of British Columbia (the "**Debtor**"), whose full address is 2748 Rupert Street, Vancouver, British Columbia V5M 3T7, is the owner of the registered intellectual property set forth in Attachment 1 attached hereto (collectively, the "**Intellectual Property**");

AND WHEREAS Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P., (the "**Lender**"), whose full address is 25 King Street West, Suite 1700, Toronto, Ontario M5L 2A1, entered into, *inter alia*, a General Security Agreement with the Debtor dated as of the date hereof pursuant to which the Debtor granted in favour of the Lender a security interest and lien in all of its property, including the Intellectual Property;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in accordance with the terms and obligations set forth in the General Security Agreement, the Debtor hereby confirms the granting of a security interest and lien in the Intellectual Property to the Lender.

THE DEBTOR hereby certifies that the aforementioned information as it relates to the Debtor is true and accurate.

DATED: June 7, 2021.

THE VERY GOOD FOOD COMPANY INC.

Per: DocuSigned by:
Kamini Hitkari
F559FD2612A9425
Name: Kamini Hitkari
Title: Chief Financial Officer

Per: _____
Name:
Title:
We have the authority to bind the Corporation



Attachment 1
Canadian Trademarks

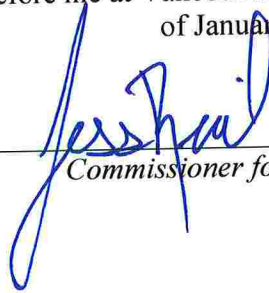
Canadian Trademarks				
	Owner	Description	Application #	Trademark #
1.	The Very Good Food Company Inc.		2005415	N/A
2.	The Very Good Food Company Inc.		1993204	N/A
3.	The Very Good Food Company Inc.		1993200	N/A

US Trademarks				
	Owner	Description	Application/Serial #	Registration #
1.	The Very Good Food Company Inc.	The Very Good Butchers/Plant Based Butchery logo (with British Columbia reference and Maple Leaf)	N/A	6,342,668
2.	The Very Good Food Company Inc.	Our old Very Good Food Co. logo	88673876	N/A
3.	The Very Good Food Company Inc.	We Butcher Beans logo	88758241	N/A

44608145.3



This is Exhibit "F" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



BLOCKED ACCOUNTS AGREEMENT

This Blocked Accounts Agreement (this "Agreement") is entered into as of September 12, 2022, by and among The Very Good Food Company Inc. ("Client"), Waygar Capital Inc. ("Secured Party") and Royal Bank of Canada ("RBC").

Capitalized terms not defined herein have the definitions given in Schedule 1.

1. Blocked Accounts Operation

Commencing on the first Business Day after the Activation Date, RBC shall transfer, on each Business Day, all amounts in the deposit accounts in the name of the Client listed in Schedule A as blocked accounts (each a "Blocked Account" and, collectively, the "Blocked Accounts") to the Secured Party's accounts described in Schedule A as collection accounts (each a "Collection Account" and, collectively, the "Collection Accounts"). Transfers from the Blocked Accounts to the Collection Accounts shall be effected in accordance with this Agreement and with RBC's banking practices. Any requested change to the Collection Accounts must be provided by written notice from the Secured Party to RBC and such change shall not become effective until the third Business Day following RBC's receipt of such notice.

2. Instructions

- (a) Prior to the Activation Date, the Blocked Accounts shall be subject to instructions, written or otherwise, given or initiated only by the Client. RBC shall be entitled to act upon the instructions of any person who RBC believes is a person authorized to act on behalf of, or to give instructions for, the Client.
- (b) On and after the Activation Date and until termination of this Agreement, the Blocked Accounts shall be subject to the instructions of the Secured Party given pursuant to the Activation Notice. RBC shall be entitled to act upon the Activation Notice and any notice received from the Secured Party relating to the Collection Accounts as contemplated herein.

3. Subordination of Rights; Rights Reserved by RBC

On and after the Activation Date, RBC agrees that, except as otherwise contemplated or provided for in this Agreement, its rights relating to any funds in or credited to the Blocked Accounts are subordinate to the Secured Party's security interest therein. For greater certainty, "RBC" as used in this section shall mean Royal Bank of Canada solely in its capacity as the financial institution providing cash management services in respect of the Blocked Accounts as provided for herein, and shall not refer to or include Royal Bank of Canada in any other capacity including, without limitation, in the capacity of a lender, secured creditor or provider of any other product or service to, or for the benefit of, the Client from time to time.

4. Permitted Debits

Notwithstanding sections 1 or 3, RBC shall be entitled, whether before or after the Activation Date, to debit from time to time, without prior notice, any one or more of the Blocked Accounts and any other account of the Client held with RBC for Permitted Debits.

If RBC has transferred to a Collection Account the funds on deposit in a Blocked Account in respect of which RBC is entitled to a Permitted Debit and the funds in the Blocked Accounts are insufficient to cover the amount of the Permitted Debit, the Secured Party shall pay to RBC the amount of the Permitted Debit not recoverable from the Blocked Accounts within three (3) Business Days of receipt of a statement from RBC confirming the details of such Permitted Debit.

- 2 -

5. Indemnity

- (a) Subject to subsection 5(b), the Client and the Secured Party hereby jointly and severally agree (or, if this Agreement is governed by the laws of the Province of Québec, the Client and the Secured Party hereby agree, solidarily) to pay, indemnify and hold harmless RBC and each of its directors, officers and employees (collectively, the "Indemnified Parties") from and against any and all losses, liabilities, costs, claims and expenses (collectively, the "Indemnity Amounts") incurred by each of the Indemnified Parties in connection with or with respect to the performance of, or compliance with, this Agreement by any of the Indemnified Parties, except to the extent that the Indemnity Amounts are caused directly by: (i) an Indemnified Party's own gross negligence or wilful misconduct, or (ii) if this Agreement is governed by the laws of the Province of Québec, an Indemnified Party's own intentional or gross fault.
- (b) The indemnity obligations of the Secured Party in subsection 5(a) shall not apply to an indemnity obligation that arose prior to receipt by RBC of an Activation Notice.

6. Court Orders

In the event that RBC is served with a court order which directs RBC to place a hold on any funds in, or to be deposited to, the Blocked Accounts, or which otherwise extends to or deals with such funds or the Blocked Accounts, notwithstanding anything to the contrary contained herein, RBC is hereby authorized to act in accordance with such court order.

7. Service Agreements

Each of the parties hereto acknowledges and agrees that:

- (a) RBC may, in its sole discretion and from time to time, enter into various agreements or arrangements relating to accounts and/or various products and/or services (all such agreements and arrangements (excluding, however, this Agreement) are referred to herein as "Service Agreements"). The Service Agreements may extend to some or all of the Blocked Accounts and any other accounts in the name of the Client held with RBC. The parties hereto acknowledge that various Service Agreements may provide for the provision of centralized banking arrangements and other similar cash management arrangements that involve the netting, setting off or zero-balancing of any amounts in one or more of the Blocked Accounts and any other accounts in the name of the Client held with RBC. In the event of any conflict between this Agreement (or any portion hereof) and the Service Agreements, the terms of this Agreement shall prevail.
- (b) RBC may, in its sole discretion and notwithstanding anything to the contrary contained in any Service Agreement or otherwise, at any time and without notice, terminate any or all of the Service Agreements or any parts thereof. RBC shall have no further obligations arising under or in connection with any Service Agreements (or parts thereof) so terminated and shall not be liable for losses or expenses of any kind in connection with or by reason of any such termination.
- (c) Nothing herein, including termination of any Service Agreement (or part thereof), is intended to or shall result in the Client being released from any of its liabilities or obligations to RBC under or in connection with any of the Service Agreements existing as at the date of any termination thereof, nor any of its liabilities or obligations that are expressly stated to survive termination.

8. Limitation of RBC's Liability

- (a) RBC shall not be liable for any losses, liabilities, costs, damages, claims and expenses (collectively, "Damages") arising out of or in connection with this Agreement other than Damages arising solely and

- 3 -

directly from RBC's (i) own gross negligence or wilful misconduct, or (ii) if this Agreement is governed by the laws of the Province of Québec, its own intentional or gross fault.

- (b) In no event shall RBC be liable for losses or delays resulting from computer malfunctions or interruption of communication facilities which are beyond RBC's reasonable control or from other causes which are beyond RBC's reasonable control or from force majeure or for indirect, special or consequential damages, including but not limited to lost profits.
- (c) With respect to any instructions given to, or requests made of, RBC in connection with this Agreement, in no event shall RBC be liable for any failure to comply with or satisfy the same if compliance with or satisfaction of the same would have resulted in, or involved, RBC contravening any standard or customary banking practice or any of RBC's policies or practices, or any law, regulation, order, rule, or similar thing having the force of law. Each of the Client and the Secured Party acknowledges and agrees that, notwithstanding any instructions or requests, RBC may be unable to reverse, unwind, retract, abandon or cancel any instructions or any actions or processes undertaken in respect of instructions received by RBC, once such instructions have been given to RBC and, in such circumstances, RBC shall have no liability to either of them for any such inability or failure.
- (d) RBC shall have no responsibility to determine the appropriateness of an Activation Notice. The Client and Secured Party agree that RBC may rely upon any communication that it believes to be genuine and to have been given by the proper party. RBC may act upon instructions that have minor irregularities or mistakes.

9. Records and Provision of Information

RBC shall maintain records with respect to the Blocked Accounts in accordance with RBC's standard procedures. Such records shall be considered true, accurate and complete and shall be conclusive and binding on all parties, subject to manifest error. RBC shall provide the Secured Party, at the Client's expense, with such information (including statements) respecting the Blocked Accounts as the Secured Party may from time to time reasonably request in writing. At RBC's option, all or any part of such information may be provided in electronic or any other format. The Client hereby irrevocably consents to the release to the Secured Party by RBC of all such information.

10. Confidentiality

Each of the Client and the Secured Party agrees to keep confidential this Agreement and all information relating to this Agreement and will not disclose or otherwise make any such information, or any draft or copy thereof, available to any person or entity, except to its employees, officers, directors, agents, or legal counsel and other professional advisors who need to know such information and have agreed to keep all such information confidential.

11. Termination

This Agreement shall remain in full force and effect until terminated by the Secured Party or RBC, as provided for herein or otherwise by the written agreement of all parties hereto. The Secured Party may terminate this Agreement by giving RBC prior written notice of its intention to terminate this Agreement, pursuant to the terms of the form appearing at Schedule C (the "Termination Notice"), with such termination becoming effective on the date specified in the Termination Notice, *provided*, however, that in the event that RBC received the Termination Notice less than five (5) Business Days prior to the proposed termination date specified or if the proposed termination date specified is not a Business Day, the parties agree that this Agreement shall be terminated on the *later* of: (i) the proposed termination date specified in the Termination Notice, or (ii) the first Business Day after the proposed termination date on which RBC is reasonably able to terminate this Agreement, all as determined by RBC in its sole and unfettered discretion. RBC may terminate this Agreement at any time upon fifteen (15) days' prior written notice to the Client and the Secured Party. Sections 4 and 5 shall survive termination of this Agreement.

- 4 -

12. Notices

Notices or other communications (each a "Communication") to the party to be notified and delivered by: (i) hand or overnight courier service; (ii) mailed by certified or registered mail; ") to a party under this Agreement shall be in writing, addressed or (iii) sent by electronic transmission to the email addresses or facsimile numbers indicated below (or to such email addresses or facsimile numbers as may be substituted by notice as provided for herein). Communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, if such Communication was received by the recipient before 2 p.m. EST on a Business Day and, otherwise, shall be deemed to have been given on the following Business Day. Communications sent by electronic transmission shall be deemed to have been given one Business Day following the date on which the transmission was sent (except that, if such transmission was sent after 2 p.m. EST on a Business Day, such Communication shall be deemed to have been received two (2) Business Days after the date on which the transmission was sent). The parties acknowledge that, in addition to the above methods of Communication, RBC may, in its sole discretion, contact the Secured Party from time to time by telephone in respect of matters relating to its administration or performance of this Agreement.

- a) Communications with the Client shall be addressed as follows:

The Very Good Food Company Inc.
2748 Rupert St.
Vancouver, British Columbia V5M 3T7

Attention: Pratik Patel
Title: CFO
Phone: (778) 990-3043
Email: pratik.patel@verygoodfood.com

- b) Communications with RBC shall be addressed as follows:

Royal Bank of Canada
707 Fort St. 2nd Floor
Victoria, British Columbia V8W 3G3

Attention: Renan Yin
Title: Commercial Account Manager
Phone: (250) 507-5855
Email: renan.yin@rbc.com

- and -

Royal Bank of Canada
88 Queens Quay W. 11th Floor
Toronto, Ontario M5J 0B8

Attention: Gurlal Algh
Title: Senior Product Manager
Phone: (416) 974-0516
Email: gurlal.algh@rbc.com

- 5 -

c) Communications with the Secured Party shall be addressed as follows:

Waygar Capital Inc.
25 King Street West, Suite 1700
Toronto, Ontario M5L 2S1

Attention: James Bruce
Title: Vice President, Portfolio
Phone: (416) 572-0025 x105
Email: jbruce@waygarcapital.com

13. Governing Law

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters pertaining to this Agreement.

14. Amendments

This Agreement may only be amended or modified by written instrument signed by the Secured Party, the Client and RBC.

15. Severability

Any provision of this Agreement that is or becomes unenforceable shall be unenforceable to the extent of such unenforceability only, without invalidating the remaining provisions hereof. To the extent permitted by applicable law, each of the parties hereby waives any provision of law that renders any provision hereof unenforceable in any respect.

16. Other Deliverables

If so requested by RBC, each of the parties hereto agrees to provide, or cause to be provided; to RBC such additional information and documentation as may be required by RBC for its regulatory and/or compliance purposes.

17. No Fiduciary Obligations

Nothing in this Agreement shall constitute any party to this Agreement a fiduciary in relation to any other party to this Agreement.

18. Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and permitted assigns. Neither the Secured Party nor the Client shall be entitled to transfer and/or assign (in part or in whole) any of their rights or obligations under this Agreement except with the prior written consent of RBC (which consent shall be in RBC's sole and unfettered discretion).

19. Counterparts

This Agreement may be executed in counterparts and such executed counterparts may be delivered by facsimile, or other electronic means and each such executed counterpart so delivered shall be deemed to be an original, and all such executed counterparts when taken together shall constitute one and the same Agreement.

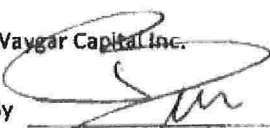
20. Language

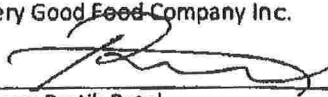
The parties hereto have expressly requested that this contract and all documents relating hereto be drawn up in the English language. Les parties aux présentes ont expressément demandé que ce contrat et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

The parties have executed this Agreement as of the date first noted above.

ROYAL BANK OF CANADA

By 
Name: Renan Yin
Title: Commercial Account Manager

Waygar Capital Inc.
By 
Name: James Bruce
Title: Vice President, Portfolio

The Very Good Food Company Inc.
By 
Name: Pratik Patel
Title: CFO

I have the authority to bind the Corporation.



Schedule 1 – Definitions

In this Agreement:

- (a) **Activation Date** means the date that is the third Business Day following RBC's receipt of the Activation Notice.
- (b) **Activation Notice** means a notice from the Secured Party to RBC in the form appearing at Schedule B.
- (c) **Branch of Account** means the branch of RBC located at
1701 Douglas St.
Victoria, British Columbia V8W 0C1
- (d) **Business Day** means any day (other than a Saturday or Sunday) on which the Branch of Account is open for business to the public.
- (e) **Error Amounts** means, collectively, the amount of any required adjustments due to clerical errors or calculation errors related to any Blocked Account or any other account of the Client held with RBC.
- (f) **Fees** mean all fees and expenses established by RBC from time to time for the services provided for hereunder.
- (g) **Items** means all cheques, money orders, instruments, wire transfers, notes, drafts, automated clearing house entries, credit from a merchant card transaction (including credit card and debit card payments) and other orders for payment of money or other remittances payable to the Client.
- (h) **Permitted Debits** means, collectively, (i) Fees; (ii) Returned Amounts; and (ii) Error Amounts.
- (i) **Returned Amounts** means, collectively, all amounts of any Items deposited in a Blocked Account or any other account of the Client with RBC which are subsequently returned to RBC, reversed or unwound, in whole or in part, for any reason whatsoever.

SCHEDULE A ACCOUNTS

PART 1 - BLOCKED ACCOUNTS

Transit No. 08080 Account No. 1011451 Currency CAD USD

PART 2 - COLLECTION ACCOUNT

Beneficiary Bank Name TD Canada Trust

Beneficiary Bank Address

55 King St. W.
Toronto, Ontario M5K 1A2

Collection Accounts CAD USD

CAD Beneficiary Account / IBAN Number 5538967

Beneficiary Bank Transit & Bank Code (For Canadian Destination Wires) Transit No. 01020 Bank Code 004

RC

**SCHEDULE B
ACTIVATION NOTICE**

To: ROYAL BANK OF CANADA ("RBC")

Re: Blocked Accounts Agreement dated September 12, 2022 among The Very Good Food Company Inc., as Client, Waygar Capital Inc., as Secured Party, and RBC (as such agreement is amended, restated, supplemented or otherwise modified from time to time, the "Blocked Accounts Agreement").

Terms with initial capital letters in this notice and not otherwise defined herein shall have the meanings given to them in the Blocked Accounts Agreement.

The undersigned, being the Secured Party, hereby notifies RBC that, pursuant to the Blocked Accounts Agreement, on the first Business Day following the Activation Date and on each Business Day thereafter until termination of the Blocked Accounts Agreement, RBC is to transfer, prior to the end of each such Business Day, all funds on deposit in the Blocked Accounts as provided for in the Blocked Accounts Agreement.

Dated this 23rd day of SEPTEMBER, 2022

Waygar Capital Inc.

By 

Name: _____

Title: _____



**SCHEDULE C
NOTICE OF TERMINATION**

To: ROYAL BANK OF CANADA ("RBC")
 And To: The Very Good Food Company Inc., (the "Client")
 Re: Blocked Accounts Agreement dated September 12, 2022 among the Client, RBC and Waygar Capital Inc., (the "Secured Party"), as such agreement has been amended and/or restated up to the date hereof (the "Blocked Accounts Agreement").

In accordance with the Blocked Accounts Agreement, the Secured Party hereby gives notice to each of RBC and the Client of its desire to terminate the Blocked Accounts Agreement effective on the _____ day of _____, 20__*, (the "Termination Date").

The Secured Party acknowledges and agrees that:

- (a) the Termination Date must be a Business Day and RBC must have received this Termination Notice at least 5 Business Days prior to the Termination Date. In the event that RBC has received this Termination Notice less than 5 Business Days prior to the Termination Date or the Termination Date is not a Business Day, the Blocked Accounts Agreement shall be terminated on the later of: (i) the Termination Date, or (ii) the first Business Day thereafter on which RBC is reasonably able to terminate the Blocked Accounts Agreement, all as determined by RBC in its sole and unfettered discretion;
- (b) upon termination of the Blocked Accounts Agreement, the Blocked Accounts Agreement shall be of no further force or effect, other than those provisions which are expressly stated in the Blocked Accounts Agreement to survive its termination; and
- (c) all terms appearing in initial capital letters and not otherwise defined herein shall have the meaning ascribed to such terms in the Blocked Accounts Agreement.

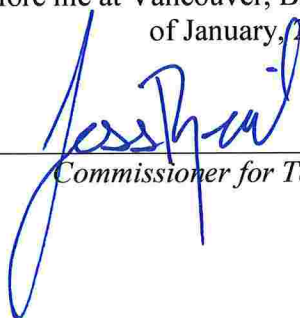
Dated this _____ day of _____, 20__.

Waygar Capital Inc.

By _____
 Name:
 Title:

- *Notes:
- (1) The Termination Date must be a Business Day.
 - (2) The Termination Date must be a date which is at least 5 Business Days after the date on which RBC would have received the Termination Notice.

This is Exhibit "G" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
 Ninepoint Canadian Senior Debt Master Fund L.P. (the “**Lender**”)
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
 Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7 , 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the “**Borrower**”) to the Lender, the undersigned (the “**Guarantor**”) has agreed to guarantee payment of the Borrower’s present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

“**Credit Documents**” means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

“**Loan Agreement**” means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

“**Obligations**” means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to “this Agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and

any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;

- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:

- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.

- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.

4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]



IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

1218158 B.C. LTD.

By: DocuSigned by:
Mitchell Scott
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.

GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
Ninepoint Canadian Senior Debt Master Fund L.P. (the "Lender")
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
ahgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A. As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "Borrower") to the Lender, the undersigned (the "Guarantor") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B. It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

**ARTICLE 1
INTERPRETATION**

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to “this Agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and

any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;

- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:

- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.

- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.

4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]



IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

1218169 B.C. LTD.

By: DocuSigned by:
Mitchell Scott
0020F6458B48450
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:
I have the authority to bind the Corporation.

GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
Ninepoint Canadian Senior Debt Master Fund L.P. (the "**Lender**")
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7 , 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "**Borrower**") to the Lender, the undersigned (the "**Guarantor**") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

**ARTICLE 1
INTERPRETATION**

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to “this Agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and

any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;

- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:

- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.

- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.

4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]

R

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

THE CULTURED NUT INC.

DocuSigned by:
Mitchell Scott
By: BB30F6458B48450
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.



GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
 Ninepoint Canadian Senior Debt Master Fund L.P. (the "**Lender**")
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
 Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "**Borrower**") to the Lender, the undersigned (the "**Guarantor**") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to “this Agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and

any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;

- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:

- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.

- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.

4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]



IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

THE VERY GOOD BUTCHERS INC.

By: DocuSigned by:
Mitchell Scott

Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:
I have the authority to bind the Corporation.

GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
 Ninepoint Canadian Senior Debt Master Fund L.P. (the “**Lender**”)
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
 Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7 , 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the “**Borrower**”) to the Lender, the undersigned (the “**Guarantor**”) has agreed to guarantee payment of the Borrower’s present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

“**Credit Documents**” means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

“**Loan Agreement**” means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

“**Obligations**” means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to “this Agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and

any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;

- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:

- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.

- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.

4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

LLOYD-JAMES MARKETING GROUP

By: ^{DocuSigned by:}
Mitchell Scott

Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.

Exhibit "G6"

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "*Guaranty*") is made as of this 7th day of June 2021, by VGFC Holdings LLC, a Delaware limited liability company (together with any other parties who execute and deliver to the Lender referred to herein an agreement attached hereto as Exhibit A, being hereinafter referred to collectively as the "*Guarantors*" and each a "*Guarantor*"), in favor Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "*Lender*").

PRELIMINARY STATEMENTS

A. The Very Good Food Company Inc., a corporation amalgamated under the laws of Canada (the "*Borrower*"), and the Lender have entered into a Loan Agreement dated as of June 7, 2021 (as may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time, the "*Credit Agreement*"), pursuant to which the Lender has agreed to extend certain credit facilities in favor of the Borrower subject to the terms and conditions set forth in the Credit Agreement. Unless otherwise specified herein, each capitalized term not otherwise defined herein (including in the recitals above) shall have the meaning ascribed thereto in the Credit Agreement.

B. The Borrower has obtained and may from time to time hereafter obtain credit and other financial accommodations from the Lender and have incurred and may from time to time hereafter incur liabilities to the Lender.

C. The Borrower provides each Guarantor with substantial financial, management, administrative, technical and design support, which enables each Guarantor to conduct its businesses in an orderly and efficient manner in the ordinary course.

D. As a condition to extending Credit to the Borrower aforesaid, the Lender has required, among other things, that the Guarantor execute and deliver this Guaranty.

E. Each Guarantor will directly and substantially benefit from credit and other financial accommodations extended and to be extended by the Lender to the Borrower.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Lender from time to time, each Guarantor hereby agrees as follows:

1. Each Guarantor hereby jointly and severally guarantees the full and prompt payment to the Lender at maturity and at all times thereafter of the Obligations, however evidenced, whether now existing or hereafter created or arising (and whether arising before or after the filing of a petition in bankruptcy and including all interest, costs, fees and charges after the entry of an order for relief in a case under Title 11 of the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed

claim in such proceeding), whether direct or indirect, absolute or contingent, or joint or several, and howsoever owned, held or acquired, whether through discount, overdraft, purchase, direct loan or as collateral, or otherwise (hereinafter all such indebtedness, obligations and liabilities being collectively referred to as the "*Indebtedness*"). This is a guaranty of payment and not of collection, and in case the Borrower or other obligors fail to pay any Indebtedness when due, each Guarantor hereby jointly and severally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration or otherwise, and as if such payment were made by the Borrower or other obligor. Notwithstanding anything in this Guaranty to the contrary, the right of recovery against a Guarantor under this Guaranty shall not exceed \$1.00 less than the lowest amount which would render such Guarantor's obligations under this Guaranty void or voidable under applicable law, including fraudulent conveyance law.

2. Each Guarantor further jointly and severally agrees to pay all reasonable out-of-pocket costs and expenses, legal and/or otherwise (including court costs and reasonable attorneys' fees), suffered or incurred by the Lender in enforcing or endeavoring to enforce this Guaranty, in enforcing or endeavoring to collect the Indebtedness, or any part thereof, and in protecting, defending or enforcing this Guaranty in any litigation, bankruptcy or insolvency proceedings or otherwise.

3. Subject to the terms in this Guaranty, each Guarantor agrees that, upon demand, such Guarantor will then pay to the Lender the full amount of the Indebtedness then due (subject to the limitation on the right of recovery thereon with respect to such Guarantor as set forth in the Section 1 above), whether or not any one or more of the other Guarantors shall then or thereafter pay any amount whatsoever in respect of their obligations hereunder.

4. Each Guarantor agrees that such Guarantor will not exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to such Guarantor against any person liable for payment of the Indebtedness, or as to any security therefor, unless and until the full amount of the Indebtedness has been paid and all commitments, if any, of the Lender to extend credit to or for the account of the Borrower which, when made, would constitute Indebtedness shall have terminated (the date of such payment of Indebtedness and termination of commitments, the "*Termination Date*"). The payment by any Guarantor of any amount or amounts to the Lender pursuant hereto shall not in any way entitle any such Guarantor, either at law, in equity or otherwise, to any right, title or interest (whether by way of subrogation or otherwise) in and to the Indebtedness or any part thereof or any collateral security therefor or any other rights or remedies in any way relating thereto or in and to any amounts theretofore, then or thereafter paid or applicable to the payment thereof howsoever such payment may be made and from whatsoever source such payment may be derived unless and until all of the Indebtedness and all reasonable out-of-pocket costs and expenses suffered or incurred by the Lender in enforcing this Guaranty have been paid in full and all commitments, if any, of the Lender to extend credit to or for the account of the Borrower which, when made, would constitute Indebtedness shall have terminated and unless and until such payment in full and termination, any payments made by any Guarantor hereunder and any other payments from whatsoever source derived on account of or applicable to the Indebtedness or any part thereof

shall be held and taken to be merely payments in gross to the Lender reducing pro tanto the Indebtedness.

5. To the extent permitted by the Credit Agreement, the Lender may, without any notice whatsoever to anyone, sell, assign, or transfer all of the Indebtedness, or any part thereof, or grant participations therein, and in that event each and every immediate and successive assignee, transferee, or holder of or participant in all or any part of the Indebtedness, shall have the right to enforce this Guaranty as to so much of the Indebtedness that has been sold, assigned or transferred to such successive assignee, transferee, holder or participant, by suit or otherwise, for the benefit of such assignee, transferee, holder or participant, as fully as if such assignee, transferee, holder or participant were herein by name specifically given such rights, powers and benefits; but the Lender shall have an unimpaired right to enforce this Guaranty for the benefit of the Lender or any such participant, as to so much of the Indebtedness that it has not sold, assigned or transferred.

6. This Guaranty is a continuing, absolute and unconditional Guaranty, and shall remain in full force and effect until the Termination Date. The dissolution of any Guarantor shall not terminate this Guaranty as to such Guarantor until notice of such dissolution shall have been actually received by the Lender, nor until all of the Indebtedness, created or existing or committed to be extended in each case before receipt of such notice shall be fully paid. The Lender may at any time or from time to time release a Guarantor from its obligations hereunder or effect any compromise with such Guarantor; and no such release or compromise shall in any manner impair or otherwise affect the obligations hereunder of the other Guarantors. No release, compromise or discharge of any one or more of the Guarantors shall release, compromise or discharge the obligations of the other Guarantors hereunder.

7. In case of the dissolution, liquidation or insolvency (howsoever evidenced) of, or the institution of bankruptcy or receivership proceedings against the Borrower or any Guarantor, all of the Indebtedness which is then existing shall, at the option of the Lender, immediately become due or accrued and payable from the Guarantors. All payments received by the Lender from the Borrower or any Guarantor or on account of the Indebtedness from whatsoever source, shall be taken and applied as payment in gross, and this Guaranty shall apply to and secure any ultimate balance that shall remain owing to the Lender.

8. The liability hereunder shall in no way be affected or impaired by (and the Lender is hereby expressly authorized to make from time to time, without notice to anyone), any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of the Indebtedness, either express or implied, or of any contract or contracts evidencing any thereof, or of any security or collateral therefor or any guaranty thereof. The liability hereunder shall in no way be affected or impaired by any acceptance by the Lender of any security for or other guarantors upon any of the Indebtedness, or by any failure, neglect or omission on the part of the Lender to realize upon or protect any of the Indebtedness, or any collateral or security therefor, or to exercise any lien upon or right of appropriation of any moneys, credits or property of the Borrower or any Guarantor possessed by the Lender toward the liquidation of the Indebtedness, or by any application of payments or credits thereon. The Lender shall have the exclusive right

to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness, or any part of same. In order to hold the Guarantor liable hereunder, there shall be no obligation on the part of the Lender at any time to resort for payment to the Borrower or to any other Guarantor, or to any other person or corporations, their properties or estate, or resort to any collateral, security, property, liens or other rights or remedies whatsoever, and the Lender shall have the right to enforce this Guaranty against any Guarantor irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing are pending.

9. In the event the Lender shall at any time in its discretion permit a substitution of any Guarantor hereunder or a party shall wish to become a Guarantor hereunder, such substituted or additional Guarantor shall, upon executing an agreement in the form attached hereto as *Exhibit A*, become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Guarantor had originally executed this Guaranty and, in the case of a substitution, in lieu of the Guarantor being replaced. No such substitution shall be effective absent the written consent of the Lender.

10. All diligence in collection or protection, and all presentment, demand, protest and/or notice, as to any and everyone, whether or not the Borrower or the Guarantors or others, of dishonor and of default and of non-payment and of the creation and existence of any and all of the Indebtedness, and of any security and collateral therefor, and of the acceptance of this Guaranty, and of any and all extensions of credit and indulgence hereunder, are expressly waived to the extent permitted by applicable law.

11. No act of commission or omission of any kind, or at any time, upon the part of the Lender in respect to any matter whatsoever, shall in any way affect or impair this Guaranty.

12. Each Guarantor waives any and all defenses, claims and discharges of the Borrower, or any other obligor, pertaining to the Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Guarantors will not assert, plead or enforce against the Lender any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to the Borrower or any other person liable in respect of any of the Indebtedness, or any set-off available against the Lender to the Borrower or any such other person, whether or not on account of a related transaction. The Guarantors agree that the Guarantors shall be and remain jointly and severally liable for any deficiency remaining after foreclosure or other realization on any lien or security interest securing the Indebtedness, whether or not the liability of the Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

13. If any payment applied by the Lender to the Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such of the Indebtedness as fully as if such application had never been made.

14. Any invalidity or unenforceability of any provision or application of this Guaranty shall not affect other lawful provisions and applications hereof, and to this end the provisions of this Guaranty are declared to be severable. Without limiting the generality of the foregoing, any invalidity or unenforceability against any Guarantor of any provision or application of the Guaranty shall not affect the validity or enforceability of the provisions or application of this Guaranty as against the other Guarantors.

15. Any demand for payment on this Guaranty or any other notice, request or communication otherwise required shall be in writing and be well and sufficiently given if delivered in accordance with the Credit Agreement.

16. All payments to be made by the Guarantors hereunder shall be made in the same currency and funds in which the underlying Indebtedness is payable to the Lender in immediately available and freely transferable funds at the place of payment, all such payments to be paid without set-off, counterclaim or reduction and without deduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholding or liabilities with respect thereto or any restrictions or conditions of any nature. If any Guarantor is required by law to make any deduction or withholding on account of any tax or other withholding or deduction from any sum payable by the Guarantor hereunder, such Guarantor shall pay any such tax or other withholding or deduction and shall pay such additional amount necessary to ensure that, after making any payment, deduction or withholding, the Lender shall receive and retain (free of any liability in respect of any payment, deduction or withholding) a net sum equal to what it would have received and so retained hereunder had no such deduction, withholding or payment been required to have been made.

17. The payment by the Guarantor of any amount or amounts due the Lender hereunder shall be made in the same currency (the "*relevant currency*") and funds in which the underlying Indebtedness is payable. To the fullest extent permitted by law, the obligation of the Guarantors in respect of any amount due in the relevant currency under this Guaranty shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the Lender may, in accordance with its normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the business day immediately following the day on which the Lender receives such payment. If the amount in the relevant currency that may be so purchased for any reason falls short of the amount originally due, the Guarantors shall pay such additional amounts, in the relevant currency, as may be necessary to compensate for the shortfall. Any obligations of the Guarantors not discharged by such payment shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

18. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), in which state it shall be performed by the Guarantor and may not be waived, amended, released or otherwise changed except by a writing signed by the Lender; *provided* that any amendment or modification to the terms of this Guaranty shall also be signed


by the Guarantors. This Guaranty and every part thereof shall be effective upon delivery to the Lender, without further act, condition or acceptance by the Lender, shall be binding upon the Guarantors and upon the heirs, legal representatives, successors and assigns of the Guarantors, and shall inure to the benefit of the Lender, its successors, legal representatives and assigns. The Guarantors waive notice of the Lender's acceptance hereof. This Guaranty may be executed in counterparts and by different parties hereto on separate counterpart signature pages, each of which shall be an original, but all together to be one and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Guaranty or any document to be signed in connection with this Guaranty shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means. Delivery of an executed counterpart of a signature page of this Guaranty by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Guaranty.

19. Each Guarantor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York County, for purposes of all legal proceedings arising out of or relating to this Guaranty or the transactions contemplated hereby. Each Guarantor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such court has been brought in an inconvenient forum. EACH GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

VGFC HOLDINGS LLC

By:  _____
Name: Mitchell Scott
Title: Manager



Accepted and agreed to as of the date first above written.

WAYGAR CAPITAL INC., as agent


By: 
Name: Wayne R. Ehgoetz
Title: President & CEO



EXHIBIT A TO GUARANTY AGREEMENT

ASSUMPTION AND SUPPLEMENT TO GUARANTY AGREEMENT

This Assumption and Supplement to Guaranty Agreement (the "*Agreement*") is dated as of this ____ day of _____, 20__, made by [new guarantor], a(n) _____ corporation/limited liability company/partnership (the "*New Guarantor*") in favor of Bank of Montreal (the "*Lender*");

WITNESSETH THAT:

WHEREAS, VGFC Holdings LLC, a Delaware limited liability company (the "*Existing Guarantor*"), has executed and delivered to the Lender that certain Guaranty Agreement dated as of June 7, 2021 (such Guaranty Agreement, as the same may from time to time be modified or amended, including supplements thereto which add or substitute parties as Guarantors thereunder, being hereinafter referred to as the "*Guaranty*") pursuant to which the Existing Guarantor guaranteed to the Lender the full and prompt payment of, among other things, any and all indebtedness, obligations and liabilities of The Very Good Food Company Inc., a corporation amalgamated under the laws of Canada (the "*Borrower*"), from time to time owing to the Lender; and

WHEREAS, the Borrower provides the New Guarantor with substantial financial, managerial, administrative, technical and design support and the New Guarantor will directly and substantially benefit from credit and other financial accommodations extended and to be extended by the Lender to the Borrower;

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Lender from time to time, the New Guarantor hereby agrees as follows:

1. The New Guarantor acknowledges and agrees that it shall become a "Guarantor" party to the Guaranty effective upon the date the New Guarantor's execution of this Agreement and the delivery of this Agreement to the Lender, and that upon such execution and delivery, all references in the Guaranty to the term "Guarantor" shall be deemed to include the New Guarantor.
2. The New Guarantor hereby assumes and becomes liable (jointly and severally with all the other Guarantors) for the Indebtedness (as defined in the Guaranty) and agrees to pay and otherwise perform all of the obligations of a Guarantor under the Guaranty according to, and otherwise on and subject to, the terms and conditions of the Guaranty to the same extent and with the same force and effect as if the New Guarantor had originally been an Existing Guarantor under the Guaranty and had originally executed the same as such an Existing Guarantor.
3. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Guaranty, except that any reference to the term "Guarantor" and any provision of the Guaranty providing meaning to such term shall be deemed

a reference to the Existing Guarantor and the New Guarantor. Except as specifically modified hereby, all of the terms and conditions of the Guaranty shall stand and remain unchanged and in full force and effect.

4. The New Guarantor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Lender may deem necessary or proper to carry out more effectively the purposes of this Agreement.

5. No reference to this Agreement need be made in the Guaranty or in any other document or instrument making reference to the Guaranty, any reference to the Guaranty in any of such to be deemed a reference to the Guaranty as modified hereby.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York), in which state it shall be performed by the New Guarantor.

[NEW GUARANTOR]

By _____

Name _____

Title _____

Address:

Telephone: (____) _____

Facsimile: (____) _____

Acknowledged and agreed, as of the date first above written.

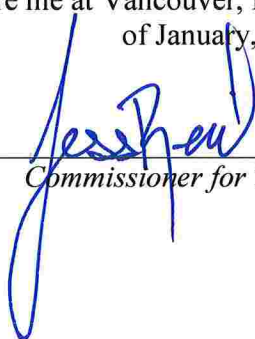
WAYGAR CAPITAL INC., as agent

By _____

Name _____

Title _____

This is Exhibit "H" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

A handwritten signature in blue ink, appearing to read 'J. Shaw', is written over a horizontal line.

Commissioner for Taking Affidavits

A small, stylized handwritten mark in blue ink located in the bottom right corner of the page.

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this “**Agreement**”) is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the “**Lender**”),

- and -

1218158 B.C. LTD., a corporation incorporated under the laws of
British Columbia

(herein called the “**Debtor**”),

WHEREAS:

- A. The Very Good Food Company Inc. (the “**Borrower**”) and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

“**Collateral**” has the meaning given to such term in Section 2.02.

“**Loan Agreement**” means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "**Inventory**";

(c) **Equipment**

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered

upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located

on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities

intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.

- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due

to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

- 11 -

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

- 12 -

- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the

moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;

- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

1218158 B.C. LTD.

DocuSigned by:
Mitchell Scott
Per: 8830F6458B48450...
Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this “**Agreement**”) is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the “**Lender**”),

- and -

1218169 B.C. LTD., a corporation incorporated under the laws of
British Columbia

(herein called the “**Debtor**”),

WHEREAS:

- A. The Very Good Food Company Inc. (the “**Borrower**”) and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

“**Collateral**” has the meaning given to such term in Section 2.02.

“**Loan Agreement**” means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "**Inventory**";

(c) **Equipment**

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered

upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located

on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities

intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.

- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due

to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

- 11 -

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

- 12 -

- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

AK

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the

moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;

- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

1218169 B.C. LTD.

Per: DocuSigned by:
Mitchell Scott
BB30E9A58B8A450
Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "**Agreement**") is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "**Lender**"),

- and -

THE CULTURED NUT INC., a corporation incorporated under
the laws of British Columbia

(herein called the "**Debtor**"),

WHEREAS:

- A. The Very Good Food Company Inc. (the "**Borrower**") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"**Collateral**" has the meaning given to such term in Section 2.02.

"**Loan Agreement**" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "**Inventory**";

(c) **Equipment**

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the "**Equipment**";

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the "**Intangibles**";

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee's possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the "**Documents of Title**";

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the "**Money**";

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the "**Chattel Paper**";

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered

upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located

on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities

intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.

- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL


4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
 - (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
 - (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due
- 

to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

- 11 -

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

- 12 -

- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the

moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;

- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

THE CULTURED NUT INC.

Per: DocuSigned by:
Mitchell Scott
BB30F6458B48450...
Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this “**Agreement**”) is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the “**Lender**”),

- and -

THE VERY GOOD BUTCHERS INC., a corporation
incorporated under the laws of British Columbia

(herein called the “**Debtor**”),

WHEREAS:

- A. The Very Good Food Company Inc. (the “**Borrower**”) and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

“**Collateral**” has the meaning given to such term in Section 2.02.

“**Loan Agreement**” means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST**2.01 Grant of Security Interest**

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) Accounts

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) Inventory

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "**Inventory**";

(c) Equipment

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered

upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located

on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities

intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.


2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
 - (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
 - (c) The Debtor shall keep the Collateral in good condition and repair.
 - (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.
- 

- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due

to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

- 12 -

- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the

moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;

- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

THE VERY GOOD BUTCHERS INC.

Per: DocuSigned by:
Mitchell Scott
9830F6458948450...
Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "**Agreement**") is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "**Lender**"),

- and -

LLOYD-JAMES MARKETING GROUP INC., a corporation
incorporated under the laws of British Columbia

(herein called the "**Debtor**"),

WHEREAS:

- A. The Very Good Food Company Inc. (the "**Borrower**") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"**Collateral**" has the meaning given to such term in Section 2.02.

"**Loan Agreement**" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "**Accounts**";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "**Inventory**";

(c) **Equipment**

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered

upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located

on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities

intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.


2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
 - (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
 - (c) The Debtor shall keep the Collateral in good condition and repair.
 - (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.
- 

- 8 -

- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL


4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
 - (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
 - (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due
- 

to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

- 11 -

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;

- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the

moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;

- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

LLOYD-JAMES MARKETING GROUP INC.

Per: DocuSigned by:
Mitchell Scott
Name: Mitchell Scott
Title: Manager

Per: _____
Name:
Title:
We have the authority to bind the Corporation

Exhibit "H6"

SECURITY AGREEMENT

This Security Agreement (this "*Agreement*") is dated as of June 7, 2021, by and among VGFC Holdings LLC (the "*US Guarantor*"), and the other parties executing this Agreement under the heading "*Debtors*" (the US Guarantor and such other parties, along with any parties who execute and deliver to the Secured Party an agreement substantially in the form attached hereto as Exhibit A, being hereinafter referred to collectively as the "*Debtors*" and individually as a "*Debtor*"), and Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "*Secured Party*").

PRELIMINARY STATEMENTS

A. The Very Good Food Company Inc. (the "*Borrower*") and the Secured Party have entered into a Loan Agreement dated as of June 7, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified, the "*Credit Agreement*"), pursuant to which the Secured Party has agreed, subject to certain terms and conditions, to extend credit and make certain other financial accommodations available to the Borrower.

B. As a condition to extending credit or otherwise making financial accommodations available to or for the account of the Borrower, the Secured Party requires, among other things, that each Debtor grant to the Secured Party, a Lien on and security interest in the personal property and fixtures of such Debtor described herein subject to the terms and conditions hereof.

C. The Borrower owns, directly or indirectly, equity interests in each Debtor and the Borrower provides each of the Debtors with financial, management, administrative, and technical support which enables such Debtors to conduct their businesses in an orderly and efficient manner in the ordinary course.

D. Each Debtor will benefit, directly or indirectly, from credit and other financial accommodations extended by the Secured Party to the Borrower.

NOW, THEREFORE, for good and valuable consideration, receipt whereof is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions; Interpretation. (a) Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement. All terms which are used in this Agreement which are defined in the UCC shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide.

(b) In addition, the following terms shall have the meanings set forth below:

"*CFC*" means (i) any entity treated as a "controlled foreign corporation" within the meaning of Section 957 of the IRC for U.S. federal income tax purposes or (ii) any entity whose sole asset (other than a de minimis amount) is equity of an entity described in clause (i) of this definition.

“*Collateral*” has the meaning specified in Section 2.

“*Collateral Access Agreement*” means any landlord waiver, warehouse, processor or other bailee letter or other agreement, in form and substance satisfactory to the Secured Party, between the Secured Party and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of a Debtor for any real property where any Collateral is located.

“*Excluded Deposit Account*” means (x) a deposit account the balance of which consists exclusively of (and is identified when established as an account established solely for the purposes of) (a) amounts as are required in the reasonable judgment of a Debtor to pay all Taxes required to be collected, remitted or withheld (including income Taxes and federal, state, local or foreign employment Taxes) to the Internal Revenue Service or any other U.S., federal, state or local or foreign government agencies, (b) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of any Debtor, (c) amounts which are required to be pledged or otherwise provided as security pursuant to any requirement of any Governmental Authority or foreign pension requirement, (d) amounts to be used to fund payroll obligations (including, but not limited to, amounts payable to any employment contracts between any Debtor and their respective employees) and (e) amounts held as an escrow or fiduciary or in trust for the benefit of another Person in the ordinary course of business and (y) a zero-balance disbursement account.

“*Excluded Property*” means (i) any Excluded Deposit Account, (ii) any property as to which the Secured Party and such Debtor shall reasonably determine that the costs of obtaining a security interest are excessive in relation to the value of the security to be afforded thereby, and (iii) unless requested by the Secured Party after the occurrence and during the continuation of an Event of Default, voting equity interests of any CFC, solely to the extent that (x) such equity interests represent more than 65% of the outstanding voting equity interests of such CFC, and (y) pledging or hypothecating more than 65% of the total outstanding voting equity interests of such CFC would reasonably be expected to result in a material adverse tax consequence to such Debtor.

“*Government Contract*” means a contract between any Debtor and an agency, department or instrumentality of the United States or any state, municipal or local Governmental Authority located in the United States or all obligations of any such Governmental Authority arising under any Account now or hereafter owing by any such Governmental Authority, as Account Debtor, to any Debtor

“*Organizational Documents*” means, with respect to any Person, such Person’s certificate of incorporation and bylaws (or equivalent constating documents).

“*Paid in Full*” or “*Payment in Full*” means (i) the indefeasible payment in full in cash of the Secured Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted), and (ii) the termination of the Secured Party’s commitment to extend financial accommodations to the Borrower or any Debtor.

“Permitted Collateral Location” means the locations listed on Schedule B.

“Pledged Equity” means all (i) certificated and uncertificated Securities and (ii) any other equity interest of any Person constituting a General Intangible, in each case owned by any Debtor, and including all right, title and interest of such Debtor in, to and under any Organizational Document with respect to such Securities or such Person to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule F.

“Pledged Issuer” means the issuer of any Pledged Equity.

“Receivables” means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

“Secured Obligations” means (a) any and all Obligations (whether arising before or after the filing of a petition in bankruptcy and including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower or a Debtor in a case under Title 11 of the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees, and charges would be an allowed claim against the Borrower or such Debtor in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint, or joint and several, and (b) any and all reasonable out-of-pocket expenses and charges, legal or otherwise, suffered or incurred by the Secured Party or its affiliates in collecting or enforcing any of such indebtedness, obligations, or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby.

“UCC” means the Uniform Commercial Code of the State of New York as in effect from time to time.

“Vehicles” means all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title under the laws of any state, all tires and all other appurtenances to any of the foregoing.

(c) The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this

Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 2. Grant of Security Interest in the Collateral. As collateral security for the Secured Obligations, each Debtor hereby grants to the Secured Party, a Lien on and security interest in, all right, title, and interest of each Debtor, whether now owned or existing or hereafter created, acquired or arising, in and to all of the following:

- (a) Accounts (including Health-Care-Insurance Receivables, if any);
- (b) Cash, currency, cash equivalents, and monies;
- (c) Chattel Paper;
- (d) Commercial Tort Claims (as described on Schedule G or on one or more supplements to this Agreement);
- (e) Deposit Accounts;
- (f) Documents;
- (g) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);
- (h) Fixtures;
- (i) General Intangibles (including Payment Intangibles and Software, patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registration, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);
- (j) Goods and personal property of such Debtor, whether tangible or intangible and wherever located;
- (k) Instruments (including Promissory Notes);
- (l) Inventory;
- (m) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts);

- (n) Letters of Credit and Letter-of-Credit Rights;
- (o) Pledged Equity;
- (p) Supporting Obligations;
- (q) Vehicles;
- (r) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of such Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;
- (s) Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and
- (t) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the "*Collateral*"; *provided* that the Collateral shall not include any Excluded Property. Notwithstanding anything in this Agreement to the contrary, the right of recovery against any Debtor under this Agreement shall not exceed \$1.00 less than the lowest amount that would render such Debtor's obligations under this Agreement void or voidable under applicable law, including fraudulent conveyance law.

Section 3. Representations and Warranties. Each Debtor hereby represents and warrants to the Secured Party that:

(a) *Credit Agreement Representations and Warranties.* All of the representations and warranties contained in the Credit Agreement which are applicable to each Debtor are true, correct and complete in all material respects.

(b) *No Consent.* No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for (i) the grant by any Debtor of the security interest purported to be created hereby in the Collateral or (ii) the exercise by the Secured Party of any of its rights and remedies hereunder, except, in the case of this clause (iii), as may be required in connection with any sale of any Pledged Equity by laws affecting the offering and sale of securities generally, or as required under the UCC.

(c) *Permitted Encumbrances.* The Collateral and every part thereof is and shall be free and clear of all Liens, except for Permitted Encumbrances.

(d) *Title*. Each Debtor is the sole and lawful owner of its Collateral and has the right to pledge, sell, assign or transfer the same.

(e) *Legal Name; Jurisdiction of Organization*. Schedule A sets forth each Debtor's exact legal name, type of organization, and jurisdiction of organization. No Debtor has transacted business at any time during the immediately preceding five-year period, and does not currently transact business, under any other legal names or trade names other than the prior legal names and trade names set forth on Schedule A.

(f) *Chief Executive Office; Locations of Collateral*. Schedule B sets forth the jurisdiction of each Debtor's chief executive office. Each Debtor has no other chief executive office located in any jurisdiction other than that listed on Schedule B. Schedule B sets forth the complete street and mailing address, as well as legal description, of any real property owned by any Debtor. Schedule B sets forth the complete street and mailing address of any real property leased by any Debtor or at which any Collateral may be kept, stored or otherwise located as of the date hereof (such schedule also identifies the landlord of such real property, such landlord's notice address, and the nature of such location). The Collateral is and shall remain in such Debtor's possession or control at the Permitted Collateral Locations, except for (i) Collateral which in the ordinary course of the Debtor's business is in transit between locations disclosed on Schedule B and (ii) Collateral aggregating less than \$100,000 in fair market value outstanding at any one time.

(g) *Intellectual Property*. As of the date hereof, Schedule C contains a true, correct, and complete listing of all patents, trademarks, tradestyles, copyrights, and other intellectual property rights (including all registrations and applications therefor) owned by each of the Debtors that are registered with any Governmental Authority. Each Debtor owns or possesses rights to use all franchises, licenses, patents, trademarks, trade names, tradestyles, copyrights, and rights with respect to the foregoing which are required to conduct its business and which do not infringe on the rights of any third party, except to the extent the failure to own or possess the right to use any such property could not reasonably be expected to have a Material Adverse Effect. Except for those matters which could not reasonably be expected to have a Material Adverse Effect, (x) no event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and (y) such Debtor is not liable to any person for infringement under applicable law with respect to any such rights as a result of its business operations.

(h) *Fixtures*. As of the date hereof, Schedule D contains a true, correct, and complete legal description of real estate (as well as the name of the record owner of such real estate) upon which certain Equipment of the Debtors has become attached so as to be a fixture.

(i) *Deposit Accounts*. As of the date hereof, Schedule E contains a true, correct, and complete listing of all Deposit Accounts of the Debtors, which listing includes the account number and depository institution of such Deposit Accounts.

(j) *Pledged Equity and Instruments*. As of the date hereof, Schedule F contains a true, correct, and complete listing of all Pledged Equity, other Investment Property, and Instruments of the Debtors. The Pledged Equity has been duly authorized and validly issued and is fully paid and

nonassessable and the holders thereof are not entitled to any preemptive, first refusal or other similar rights. Except as noted in Schedule F, as of the date hereof, the Pledged Equity constitutes 100% of the issued shares of equity interests of the Pledged Issuers. All other shares of equity interests constituting Pledged Equity will be duly authorized and validly issued, fully paid and nonassessable. Except as noted in Schedule F, with respect to each Pledged Issuer that is a partnership or a limited liability company, no such Person has opted into (and no Debtor has caused any of its Subsidiaries that is a partnership or a limited liability company and a Pledged Issuer to opt into) Article 8 of the UCC. All such certificated Pledged Equity and Instruments have been delivered to the Secured Party to the extent (i) requested by the Secured Party or (ii) as required by the terms of this Agreement.

(k) *Commercial Tort Claims.* As of the date hereof, Schedule G contains a true, correct, and complete listing of all Commercial Tort Claims held by the Debtors, which listing describes each such Commercial Tort Claim by referring to a specific incident giving rise to such Commercial Tort Claim.

(l) *[Reserved].*

(m) *Inventory.* No Debtor's Inventory is or is committed to be consigned to any other Person.

(n) *Margin Stock.* As of the date hereof, no Debtor's Pledged Equity or Investment Property consists of margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System) except to the extent such Debtor has delivered to the Secured Party a duly executed and completed Form U-1 with respect to such stock.

(o) *Perfection.* No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for the perfection of the security interest purported to be created hereby in the Collateral, except (i) for the filing under the Uniform Commercial Code as in effect in the applicable jurisdiction of the financing statements described in Schedule H, (ii) with respect to the perfection of the security interest created hereby in the intellectual property, for the recording of the appropriate agreements in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, (iii) with respect to any action that may be necessary to obtain control of Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter of Credit Rights, the taking of such actions, and (iv) the Secured Party's having possession of all Documents, Chattel Paper, Instruments and cash constituting Collateral.

Section 4. Covenants. Each Debtor hereby covenants to the Secured Party until the Secured Obligations are Paid in Full that:

(a) *[Reserved].*

(b) *Intellectual Property.* Each Debtor agrees to promptly notify the Secured Party in writing of any additional intellectual property rights acquired or arising after the date hereof that are or are required to be registered with any Governmental Authority and shall submit to the

Secured Party a supplement to Schedule C to reflect such additional rights (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(c) *Fixtures.* Each Debtor agrees to promptly notify the Secured Party in writing of any Equipment becoming affixed to any real property not previously disclosed to the Secured Party on Schedule D so as to be a fixture and shall submit to the Secured Party a supplement to Schedule D to disclose such real property (provided any Debtor's failure to do so shall not impair the Secured Party's security interest in such fixture).

(d) *Deposit Accounts.* Each Debtor agrees to promptly notify the Secured Party in writing of any other Deposit Account opened or maintained by such Debtor after the date hereof and shall submit to the Secured Party a supplement to Schedule E to reflect such additional accounts (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein). With respect to any Deposit Account (other than any Deposit Account constituting Excluded Property) maintained by a depository institution other than the Secured Party, within 30 days after the opening of such Deposit Account (or such later date acceptable to the Secured Party in its sole discretion), the depository institution, and the Secured Party shall execute and deliver an account control agreement in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Secured Party directing the disposition of the funds in the Deposit Account without further consent by such Debtor.

(e) *Pledged Equity and Instruments.*

(i) Each Debtor agrees to promptly notify the Secured Party in writing of any Pledged Equity, Instruments evidencing an amount in excess of \$100,000, or other Investment Property evidencing an amount in excess of \$100,000 acquired or maintained by such Debtor after the date hereof and shall submit to the Secured Party a supplement to Schedule F to reflect such additional rights (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(ii) Upon the Secured Party's request and to the extent such certificates are in the possession of a Debtor, certificates for all certificated securities now or at any time constituting Pledged Equity or Investment Property evidencing an amount in excess of \$100,000 (which minimum threshold shall not apply to any Pledged Equity of any Subsidiary of a Debtor) and part of the Collateral hereunder shall be promptly delivered by the relevant Debtor to the Secured Party duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto, including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision or reclassification of the Pledged Equity or Investment Property or any part thereof or received in addition to, in substitution of or in exchange for the Pledged Equity or Investment Property or any part thereof as a result of a merger, consolidation or otherwise. With respect to any uncertificated securities or any Pledged Equity or Investment Property held by a securities intermediary, commodity intermediary, or other financial intermediary of any kind, within 30 days after the opening of any such account with such intermediary (or such later date acceptable to the Secured Party in its sole discretion), the relevant Debtor shall execute and deliver,

and shall cause any such issuer or intermediary to execute and deliver, an agreement among such Debtor, the Secured Party, and such issuer or intermediary in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the issuer's or intermediary's agreement that it will comply with such entitlement orders, and apply any value distributed on account of any Investment Property or Subsidiary Interests, as directed by the Secured Party without further consent by such Debtor.

(iii) Unless and until an Event of Default has occurred and is continuing and thereafter until notified to the contrary by the Secured Party pursuant to Section 8(c) hereof (x) each Debtor shall be entitled to exercise all voting and/or consensual powers pertaining to its Pledged Equity and Investment Property, or any part thereof, for all purposes not inconsistent with the terms of this Agreement, the Credit Agreement or any other document evidencing or otherwise relating to any Secured Obligations; and (y) each Debtor shall be entitled to receive and retain all cash dividends paid upon or in respect of its Pledged Equity and Investment Property to the extent permitted by the Credit Agreement subject to the Lien of the Secured Party; *provided, however*, that any and all (A) dividends and interest paid or payable other than in cash in respect of, and Instruments and other property received, receivable or otherwise distributed in respect of or in exchange for, any Pledged Equity, (B) dividends and other distributions paid or payable in cash in respect of any Equity Interests in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus, and (C) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledged Equity, together with any dividend, interest or other distribution or payment which at the time of such payment was not permitted by the Credit Agreement, shall be, and shall forthwith be delivered to the Secured Party, to hold as, Pledged Equity and shall, if received by any of the Debtors, be received in trust for the benefit of Secured Party, shall be segregated from the other property or funds of the Debtors, and shall be forthwith delivered to the Secured Party in the exact form received with any necessary indorsement and/or appropriate stock powers duly executed in blank, to be held by Secured Party as Pledged Equity and as further collateral security for the Secured Obligations.

(iv) After the occurrence and during the continuation of any Default or Event of Default, no Debtor shall sell all or any part of its Pledged Equity or Investment Property without the prior written consent of the Secured Party.

(v) Each Debtor agrees to promptly notify the Secured Party in writing if such Debtor or any Subsidiary of such Debtor that is a partnership or a limited liability company permits such partnership interests or membership interests to (i) be dealt in or traded on securities exchanges or in securities markets, (ii) become a security for purposes of Article 8 of any relevant UCC, (iii) become an investment company security within the meaning of Section 8-103 of any relevant UCC or (iv) be evidenced by a certificate and agrees to comply with clause (ii) of this Section 4(e) with respect to such partnership interests or membership interests.

(f) *Commercial Tort Claims.* Each Debtor agrees to execute and deliver to the Secured Party an agreement in the form attached hereto as Exhibit B, or in such other form reasonably acceptable to the Secured Party, promptly upon becoming aware of any Commercial Tort Claim of such Debtor arising after the date hereof that is reasonably expected to have a value in excess

of \$100,000 (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(g) *[Reserved]*.

(h) *Inventory and Equipment*. Upon the Secured Party's written request, each Debtor shall promptly deliver any document of title evidencing Inventory in an amount in excess of \$100,000. Each Debtor shall at its own cost and expense maintain, keep, and preserve its Inventory in good and merchantable condition and keep and preserve its Equipment that is used or useful in the conduct of its business in good repair, working order, and condition, ordinary wear and tear excepted, and, without limiting the foregoing, make all necessary and proper repairs, replacements, and additions thereto consistent with industry practices. Each Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, use, consume, sell, and lease the Inventory in the ordinary course of its business, but a sale in the ordinary course of business shall not under any circumstance include any transfer or sale in satisfaction, partial or complete, of a debt owing by such Debtor. Each Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, sell Equipment to the extent permitted by Section 5.2(f) of the Credit Agreement.

(i) *Margin Stock*. Each Debtor agrees to promptly notify the Secured Party in writing if at any time the Pledged Equity or Investment Property or any part thereof consists of margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States) and to deliver to the Secured Party a duly executed and completed Form U-1 and such other instruments and documents reasonably requested by the Secured Party in form and substance satisfactory to the Secured Party.

(j) *Government Contracts*. If any Receivable arises out of a Government Contract evidencing an amount in excess of \$100,000, each Debtor agrees to promptly notify the Secured Party in writing, and, at the request of the Secured Party, execute whatever instruments and documents are required by the Secured Party in order that such Receivable shall be assigned to the Secured Party and that proper notice of such assignment shall be given under the federal Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be.

(k) *Instruments and Chattel Paper*. To the extent any Receivable or other item of Collateral is evidenced by an Instrument or tangible Chattel Paper, each Debtor shall cause such Instrument or tangible Chattel Paper to be pledged and delivered to the Secured Party; *provided, however,* that, prior to the existence of an Event of Default and thereafter until otherwise required by the Secured Party, a Debtor shall not be required to deliver any such Instrument or tangible Chattel Paper if and only so long as the aggregate unpaid principal balance of all such Instruments and tangible Chattel Paper held by the Debtors and not delivered to the Secured Party hereunder is less than \$100,000 at any one time outstanding.

(l) *Receivables*. Each Debtor will, except as otherwise provided in this subsection (c), continue to collect, at its own expense, all amounts due or to become due under the Accounts and payment rights arising under Chattel Paper, Instruments and Payment Intangibles. After receipt

by any Debtor of a notice from the Secured Party that the Secured Party has notified, intends to notify, or has enforced or intends to enforce a Debtor's rights against the Account Debtors or obligors under any Accounts as referred to in the immediately preceding sentence, all amounts and proceeds (including Instruments) received by such Debtor in respect of the Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of such Debtor and shall be forthwith paid over to the Secured Party or its designated agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as specified in Section 11.

(m) *Collateral Access Agreements.* If any Collateral is in the possession or control of any agents or processors of a Debtor and the Secured Party so requests in writing, such Debtor agrees to notify such agents or processors in writing of the Secured Party's Lien and security interest therein and instruct them to hold all such Collateral for the Secured Party's account and subject to the Secured Party's instructions. Each Debtor will, upon the request of the Secured Party, authorize and instruct all bailees and any other parties, at any time processing, labeling, packaging, holding, storing, shipping or transferring all or any part of the Collateral to permit the Secured Party and its representatives to examine and inspect any of the Collateral then in such party's possession and to verify from such party's own books and records any information concerning the Collateral or any part thereof which the Secured Party or its representatives may seek to verify. As to any location not owned by a Debtor wherein any of the Collateral is located, such Debtor shall, upon the Secured Party's written request, deliver a Collateral Access Agreement with respect to such location.

(n) *Continued Perfection; Further Information.* Each Debtor shall (i) maintain the Lien created by this Agreement as a first priority perfected security interest (subject only to Permitted Encumbrances) and (ii) warrant and defend the Collateral against any claims and demands of all Persons at any time claiming the same or any interest in the Collateral adverse to the Secured Party. Each Debtor agrees from time to time to deliver to the Secured Party such evidence of the existence, identity, and location of its Collateral and of its availability as collateral security pursuant hereto (including, without limitation, schedules describing all Receivables created or acquired by such Debtor, copies of customer invoices or the equivalent and original shipping or delivery receipts for all merchandise and other goods sold or leased or services rendered by it, together with such Debtor's warranty of the genuineness thereof, and reports stating the book value of its Inventory and Equipment by major category and location), in each case as the Secured Party may reasonably request. Upon the occurrence and during the continuance of an Event of Default, the Secured Party shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Secured Party considers appropriate and reasonable, and each Debtor agrees to furnish all assistance and information, and perform any acts, which the Secured Party may require in connection therewith.

(o) *Further Assurances.* Each Debtor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments, and documents, and to do all such other things, as the Secured Party may reasonably deem necessary or appropriate to assure the Secured Party of its Lien, including, without limitation, (i) such financing statements or other instruments and documents as the Secured Party may from time to time reasonably require to comply with the UCC and any other applicable law, (ii) such agreements with respect to patents, trademarks, copyrights,

and similar intellectual property rights as the Secured Party may from time to time reasonably require to comply with the filing requirements of the United States Patent and Trademark Office and the United States Copyright Office, and (iii) such control agreements with respect to Deposit Accounts, Pledged Equity, Investment Property, Letter-of-Credit Rights, and electronic Chattel Paper, and to cause the relevant depository institutions, financial intermediaries, and issuers to execute and deliver such control agreements, as the Secured Party may from time to time reasonably require. Each Debtor hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Secured Party without notice thereof to such Debtor wherever the Secured Party in its sole discretion desires to file the same. Each Debtor hereby authorizes the Secured Party to file any and all financing statements covering the Collateral or any part thereof as the Secured Party may require, including financing statements describing the Collateral as "all assets" or "all personal property" or words of like meaning. The Secured Party may order lien searches from time to time against any Debtor and the Collateral to the extent the Secured Party determines reasonably necessary, and the Debtors shall promptly reimburse the Secured Party for all reasonable costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than New York becomes or is applicable to the Collateral or any part thereof, or to any of the Secured Obligations, each Debtor agrees to execute and deliver all such agreements, assignments, instruments, and documents and to do all such other things as the Secured Party deems necessary or appropriate to preserve, protect, and enforce the Lien of the Secured Party under the law of such other jurisdiction.

(p) *Secured Party May Perform.* On failure of any Debtor to perform any of the covenants and agreements herein contained, the Secured Party may, at its option, perform the same and in so doing may expend such sums as the Secured Party deems advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens, and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtors upon demand, shall constitute additional Secured Obligations secured hereunder, and shall bear interest from the date said amounts are expended at the rate per annum (computed on the basis of a year of 360 days for the actual number of days elapsed) determined by adding 5.0% per annum to the US Dollar Interest Rate (such rate per annum as so determined being hereinafter referred to as the "Default Rate"). No such performance of any covenant or agreement by the Secured Party on behalf of a Debtor, and no such advancement or expenditure therefor, shall relieve any Debtor of any default under the terms of this Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Secured Party, in performing any act hereunder, shall be the sole judge of whether the relevant Debtor is required to perform the same under the terms of this Agreement. The Secured Party is hereby authorized to charge any account of any Debtor maintained with the Secured Party for the amount of such sums and amounts so expended.

(q) *Organizational Documents.* No Debtor shall amend its Organizational Documents in any manner materially adverse to the Secured Party without the prior written consent of the Secured Party. Each Debtor shall provide the Secured Party with copies of all amendments to any Organizational Documents.

(r) *Payment of Taxes; Compliance with Laws.* Each Debtor will promptly pay when due all taxes, assessments, and governmental charges and levies upon or against it or its Collateral, in each case unless the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with generally accepted accounting principles have been provided. Each Debtor will comply in all material respects with the terms and conditions of (i) any and all leases, easements, right-of-way agreements, and other agreements binding upon such Debtor or affecting the Collateral, in each case which cover the premises wherein the Collateral is located, and (ii) any orders, ordinances, laws or statutes of any Governmental Authority with respect to such premises and the conduct of business thereon and the use, manufacture, sale or distribution of Collateral.

(s) *[Reserved]*.

(t) *Performance of Contracts.* Each Debtor will perform in all material respects its obligations under any contract or other agreement constituting part of the Collateral, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, it being understood and agreed that the Secured Party has no responsibility to perform such obligations.

Section 5. Consent of Pledged Issuers. The Debtors constitute all of the shareholders or members, as applicable, of such Pledged Issuers. By executing this Agreement, each Debtor, as a shareholder or member, as applicable, of each such Pledged Issuer, and each Pledged Issuer (in addition to any other covenants, representations and warranties each has made as a Debtor, if applicable, hereunder), acknowledges and agrees that: (a) such Pledged Issuer consents to the applicable Debtor's grant of a security interest in such Debtor's limited liability company interests in such Pledged Issuer to the Secured Party, including without limitation, all economic, management and ownership interests, notwithstanding anything to the contrary contained in the applicable organizational agreement; (b) all parties required by the terms of such Pledged Issuer's Organizational Documents to approve the collateral assignment made by this Agreement have done so, and the interest of the Secured Party by virtue of that assignment has been reflected on the books and records of such Pledged Issuer; (c) by virtue of this Agreement, the Secured Party has the right, upon the occurrence and during the continuation of an Event of Default, at its option, to exercise all rights of the applicable Debtor in such Pledged Issuer, and such Pledged Issuer agrees to comply with all instructions originated by the Secured Party without further consent by the applicable Debtor; (d) the right of the Secured Party to enforce its rights and remedies under this Agreement and any such action taken in accordance therewith shall be valid and effective under the applicable organizational agreement; (e) upon the occurrence and during the continuation of an Event of Default, any transfer, assignment, sale or other disposition of the limited liability company interests in such Pledged Issuer by the Secured Party pursuant to this Agreement shall be valid and effective for all purposes to transfer the right, title and interest of the applicable Debtor to the assignee or Person designated by the Secured Party in accordance with

this Agreement (including, without limitation, in accordance with this Agreement, the rights to participate in the management of the business and affairs of such Pledged Issuer, to share profits and losses, to receive distributions, and to exercise all rights and powers of a member), and such transferee shall be admitted as a member of the Pledged Issuer, with all rights and powers attendant to the limited liability company interests of such Pledged Issuer, without any further action of any Person (including any party to this Agreement) and without such admission being subject to any rights of first refusal, rights of first offer or any other limitation, consent or approval of any kind; (f) upon admission of such transferee, the applicable Debtor shall cease to be a member or to have any power to exercise any rights or powers of a member; and (g) such Pledged Issuer waives its rights, to the extent it has any, under its Organizational Documents, to the extent such rights conflict with the provisions of and rights granted to the Secured Party and the Secured Party's assignees to permit the Secured Party to exercise its rights under this Agreement.

Section 6. [Reserved].

Section 7. Special Provisions Re: Receivables. Unless and until an Event of Default has occurred and is continuing and thereafter, unless otherwise notified by the Secured Party, any merchandise or other goods which are returned by a customer or account debtor or otherwise recovered may be resold by a Debtor in the ordinary course of its business as presently conducted in accordance with Section 4(h); and, during the existence of any Event of Default, such merchandise and other goods shall be set aside at the request of the Secured Party and held by the relevant Debtor as trustee for the Secured Party and shall remain part of the Collateral. Unless and until an Event of Default has occurred and is continuing and thereafter unless otherwise notified by the Secured Party, the Debtors may settle and adjust disputes and claims with its customers and account debtors, handle returns and recoveries, and grant discounts, credits, and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the relevant Debtor in good faith considers advisable; and, during the existence of any Event of Default, at the Secured Party's request, the Debtors shall notify the Secured Party promptly of all returns and recoveries and, on the Secured Party's request, deliver any such merchandise or other goods to the Secured Party. During the existence of any Event of Default, at the Secured Party's request, the Debtors shall also notify the Secured Party promptly of all disputes and claims and settle or adjust them at no expense to the Secured Party, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other goods other than in the ordinary course of business as presently conducted shall be accepted by any Debtor without the Secured Party's consent. The Secured Party may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Secured Party considers advisable.

Section 8. Remedies. (a) General. Upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Secured Party may, without demand and, to the extent permitted by applicable law, without advertisement, notice, hearing or process of law, all of which each Debtor hereby waives to the extent permitted by applicable law,

at any time or times, sell and deliver any or all Collateral held by or for it at public or private sale, at any securities exchange or broker's board or at the Secured Party's office or elsewhere, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable, in its discretion. In the exercise of any such remedies, the Secured Party may sell the Collateral as a unit even though the sales price thereof may be in excess of the amount remaining unpaid on the Secured Obligations. Also, if less than all the Collateral is sold, the Secured Party shall have no duty to marshal or apportion the part of the Collateral so sold as between the Debtors, or any of them, but may sell and deliver any or all of the Collateral without regard to which of the Debtors are the owners thereof. In addition to all other sums due the Secured Party hereunder, each Debtor shall pay the Secured Party all reasonable out-of-pocket costs and expenses incurred by the Secured Party, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or any Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Debtors in accordance with Section 14(b) at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided, however*, no notification need be given to a Debtor if such Debtor has signed, after an Event of Default hereunder has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Secured Party may be the purchaser at any such sale. Each Debtor hereby waives all of its rights of redemption from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Secured Party may further postpone such sale by announcement made at such time and place. The Secured Party has no obligation to prepare the Collateral for sale. The Secured Party may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and each Debtor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

(b) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default hereunder, in addition to all other rights provided herein or by law, (i) the Secured Party shall have the right to take physical possession of any and all of the Collateral and anything found therein, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the relevant Debtor's premises (each Debtor hereby agreeing, to the extent it may lawfully do so, to lease such premises without cost or expense to the Secured Party or its designee if the Secured Party so requests) or to remove the Collateral or any part thereof to such other places as the Secured Party may desire, (ii) the Secured Party shall have the right to direct any intermediary at any time holding any Investment Property or other Collateral, or any issuer thereof, to deliver such Collateral or any part thereof to the Secured Party and/or to liquidate such Collateral or any part thereof and deliver the proceeds thereof to the Secured Party (including, without limitation, the right to deliver a notice of control with respect to any Collateral held in a

securities account or commodities account and deliver all entitlement orders with respect thereto), (iii) the Secured Party shall have the right to exercise any and all rights with respect to all Deposit Accounts of each Debtor, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw, and receive all amounts due or to become due or payable thereunder, and (iv) each Debtor shall, upon the Secured Party's demand, promptly assemble the Collateral and make it available to the Secured Party at a place reasonably designated by the Secured Party. If the Secured Party exercises its right to take possession of the Collateral, each Debtor shall also at its expense perform any and all other steps requested by the Secured Party to preserve and protect the security interest hereby granted in the Collateral, such as placing and maintaining signs indicating the security interest of the Secured Party, appointing overseers for the Collateral and maintaining Collateral records. The Secured Party may, if it so elects, without prior notice or hearing, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Secured Party's remedies (for the benefit of the Secured Party).

(c) *Pledged Equity.* Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, all rights of the Debtors to exercise the voting and/or consensual powers which they are entitled to exercise pursuant to Section 4(e)(iii) and/or to receive and retain the distributions which they are entitled to receive and retain pursuant to Section 4(e)(iii), shall, at the option of the Secured Party exercised by written notice to the Debtors, cease and thereupon become vested in the Secured Party, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property and/or to receive and retain the distributions which such Debtor would otherwise have been authorized to retain pursuant to Section 4(e)(iii) and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange or subscription or any other rights, privileges or options pertaining to any Investment Property as if the Secured Party were the absolute owner thereof including, without limitation, the rights to exchange, at its discretion, all Investment Property or any part thereof upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Secured Party of any right, privilege or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver the Investment Property or any part thereof with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Secured Party may determine. In the event the Secured Party in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable. The Secured Party may, at any time after the occurrence and during the continuation of any Event of Default, cause to be transferred into its name or the name of its nominee or nominees any and all of the Pledged Equity and Investment Property.

(d) *Receivables.* Upon the occurrence of any Event of Default and in the event the Secured Party requests any Debtor to do so:

(i) all Instruments and tangible Chattel Paper at any time constituting part of the Receivables (including any postdated checks) shall, upon receipt by such Debtor, be immediately endorsed to and deposited with Secured Party;

(ii) such Debtor shall instruct all customers and account debtors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Secured Party and which are maintained at one or more post offices selected by the Secured Party; and/or;

(iii) the Secured Party or its designee may notify the relevant Debtor's customers and account debtors at any time that Receivables have been assigned to the Secured Party or of the Secured Party's security interest therein, and either in its own name, or such Debtor's name, or both, demand, collect (including, without limitation, through a lockbox analogous to that described in Section 8(b)(ii)), receive, receipt for, sue for, compound and give acquittance for any or all amounts due or to become due on Receivables, and in the Secured Party's discretion file any claim or take any other action or proceeding which the Secured Party may deem necessary or appropriate to protect and realize upon the security interest of the Secured Party in the Receivables or any other Collateral.

(e) *Intellectual Property License.* Without in any way limiting the foregoing, effective upon the occurrence and during the continuance of an Event of Default, each Debtor hereby grants to the Secured Party an irrevocable license (or sublicense, as the case may be) and right to use all of such Debtor's patents, patent applications, patent licenses, trademarks, trademark registrations, trademark licenses, trade names, trade styles, and similar intangibles in connection with any foreclosure or other realization by the Secured Party on all or any part of the Collateral to the extent permitted by law. The license and right granted the Secured Party hereby shall be paid-up and without any additional royalty or fee or charge whatsoever.

(f) *No Duty.* The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on them any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property, consisting of similar type assets, it being understood, however, that the Secured Party shall have no responsibility for (i) ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral, or (iii) initiating any action to protect the Collateral or any part thereof against the possibility of a decline in market value. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Debtors in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; *provided* that, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages.

(g) *Nonexclusive Nature.* Failure by the Secured Party to exercise any right, remedy or option under this Agreement or any other agreement between any Debtor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver;

and no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have. For purposes of this Agreement, an Event of Default shall be construed as continuing after its occurrence until the same is waived in writing by the Secured Party.

Section 9. Power of Attorney. In addition to any other powers of attorney contained herein, each Debtor hereby appoints the Secured Party, its nominee, or any other person whom the Secured Party may designate as such Debtor's attorney-in-fact, with full power and authority upon the occurrence and during the continuation of any Event of Default to sign such Debtor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to such Debtor's customers, account debtors, and other obligors; to exercise all voting rights with respect to the Investment Property or other Collateral or any part thereof; to endorse or sign such Debtor's name on assignments, stock powers or other instruments of transfer and on any checks, notes, acceptances, money orders, drafts, and any other forms of payment or security that may come into the Secured Party's possession; to endorse the Collateral in blank or to the order of the Secured Party or its nominee; to sign such Debtor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account debtors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; to notify the post office authorities to change the address for delivery of such Debtor's mail to an address designated by the Secured Party; to receive, open, and dispose of all mail addressed to such Debtor; to adjust and settle claims under any insurance policy relating thereto; and to do all things necessary to carry out this Agreement. Each Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; *provided* that, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Secured Obligations have been Paid in Full.

Section 10. Proxy. EACH DEBTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE SECURED PARTY AS ITS PROXY AND ATTORNEY-IN-FACT WITH RESPECT TO ITS INVESTMENT PROPERTY AND OTHER COLLATERAL, INCLUDING THE RIGHT TO VOTE SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO UPON THE OCCURRENCE AND DURING THE CONTINUATION OF ANY EVENT OF DEFAULT. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL, THE APPOINTMENT OF THE SECURED PARTY AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE UPON THE OCCURRENCE AND DURING THE CONTINUATION OF ANY EVENT OF DEFAULT ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS OR OTHER EQUITY HOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS OR OTHER EQUITY HOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL ON THE RECORD BOOKS

OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE OF AN EVENT OF DEFAULT. EACH DEBTOR HEREBY RATIFIES AND APPROVES ALL ACTS OF ANY SUCH ATTORNEY AND AGREES THAT NEITHER THE SECURED PARTY NOR ANY SUCH ATTORNEY WILL BE LIABLE FOR ANY ACTS OR OMISSIONS OR FOR ANY ERROR OF JUDGMENT OR MISTAKE OF FACT OR LAW OTHER THAN SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES. THE FOREGOING POWERS OF ATTORNEY AND PROXY, BEING COUPLED WITH AN INTEREST, ARE IRREVOCABLE UNTIL THE SECURED OBLIGATIONS HAVE BEEN FULLY PAID AND SATISFIED AND ALL COMMITMENTS OF THE LENDERS TO EXTEND CREDIT TO OR FOR THE ACCOUNT OF THE BORROWER UNDER THE CREDIT AGREEMENT HAVE EXPIRED OR OTHERWISE TERMINATED.

Section 11. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Secured Party upon the occurrence and during the continuation of any Event of Default shall, when received by the Secured Party in cash or its equivalent, be applied by the Secured Party in reduction of, or held as collateral security for, the Secured Obligations in accordance with the terms of the Credit Agreement. The Debtors shall remain liable to the Secured Party for any deficiency. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Borrower, as agent for the Debtors, or to whomsoever the Secured Party reasonably determines is lawfully entitled thereto.

Section 12. Release. Upon the termination of this Agreement, the Secured Party shall, upon the request and at the expense of the Debtors, forthwith release its Liens and security interests hereunder.

Section 13. Continuing Agreement. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until the Payment in Full of all of the Secured Obligations.

Section 14. Miscellaneous. (a) Amendments; Assignments. This Agreement cannot be changed or terminated orally. This Agreement shall create a continuing Lien on and security interest in the Collateral and shall be binding upon each Debtor, its successors and assigns and shall inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its successors and permitted assigns; *provided, however*, that no Debtor may assign its rights or delegate its duties hereunder without the Secured Party's prior written consent. Without limiting the generality of the foregoing, and subject to the provisions of the Credit Agreement, any Lender may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

(b) *Notices.* Except as otherwise specified herein, any notice, request or communication required shall be in writing and be well and sufficiently given if delivered in accordance with the Credit Agreement.

(c) *Partial Invalidity.* In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect. Without limiting the generality of the foregoing, in the event that this Agreement shall be deemed to be invalid or otherwise unenforceable with respect to any Debtor, such invalidity or unenforceability shall not affect the validity of this Agreement with respect to the other Debtors.

(d) *Direct Obligation.* The Lien and security interest herein created and provided for stand as direct and primary security for the Secured Obligations of the Borrower arising under or otherwise relating to the Credit Agreement as well as for the other Secured Obligations secured hereby. No application of any sums received by the Secured Party in respect of the Collateral or any disposition thereof to the reduction of the Secured Obligations or any part thereof shall in any manner entitle any Debtor to any right, title or interest in or to the Secured Obligations or any collateral or security therefor, whether by subrogation or otherwise, unless and until all Secured Obligations have been Paid in Full. Each Debtor acknowledges and agrees that the Lien and security interest hereby created and provided are absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Secured Party or any other holder of any Secured Obligations, and without limiting the generality of the foregoing, the Lien and security interest hereof shall not be impaired by any acceptance by the Secured Party or any other holder of any Secured Obligations of any other security for or guarantors upon any of the Secured Obligations or by any failure, neglect or omission on the part of the Secured Party or any other holder of any of the Secured Obligations to realize upon or protect any of the Secured Obligations or any collateral or security therefor. The Lien and security interest hereof shall not in any manner be impaired or affected by (and the Secured Party, without notice to anyone, is hereby authorized to make from time to time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Secured Obligations or of any collateral or security therefor, or of any guaranty thereof, or of any instrument or agreement setting forth the terms and conditions pertaining to any of the foregoing. The Secured Party may at its discretion at any time grant credit to the Borrower without notice to the other Debtors in such amounts and on such terms as the Secured Party may elect without in any manner impairing the Lien and security interest created and provided for. In order to realize hereon and to exercise the rights granted the Secured Party hereunder and under applicable law, there shall be no obligation on the part of the Secured Party or any other holder of any Secured Obligations at any time to first resort for payment to the Borrower or any other Debtor or to any guaranty of the Secured Obligations or any portion thereof or to resort to any other collateral, security, property, Liens or any other rights or remedies whatsoever, and the Secured Party shall have the right to enforce this Agreement against any Debtor or its Collateral irrespective of whether or not other proceedings or steps seeking resort to or realization upon or from any of the foregoing are pending.

(e) *Additional Debtors.* In the event the Secured Party shall at any time in its discretion permit a substitution of Debtors hereunder or a party shall wish to become a Debtor hereunder,

such substituted or additional Debtor shall, upon executing an agreement in the form attached hereto as Exhibit B, become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Debtor had originally executed this Agreement and, in the case of a substitution, in lieu of the Debtor being replaced. Any such agreement shall contain information as to such Debtor necessary to update the Schedules hereto with respect to it. No such substitution shall be effective absent the written consent of the Secured Party nor shall it in any manner affect the obligations of the other Debtors hereunder.

(f) *Counterparts*. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. Each Debtor acknowledges that this Agreement is and shall be effective upon its execution and delivery by such Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

(g) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(h) *Governing Law*. This Agreement shall be deemed to have been made in the State of New York and shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws (other than Section 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

(i) *Venue*. Each Debtor hereby submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Debtor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient form. THE DEBTORS AND THE SECURED PARTY EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, each Debtor has caused this Security Agreement to be duly executed and delivered as of the date first above written.

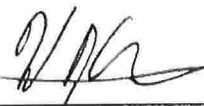
"DEBTORS"

VGFC HOLDINGS LLC

DocuSigned by:
Mitchell Scott
By B830F6458B48450...
Name: Mitchell Scott
Title: Manager _____

Accepted and agreed to as of the date first above written.

WAYGAR CAPITAL INC., as agent

By 
Name Wayne R. Ehgoetz
Title President & CEO



SCHEDULE A

A. General Information

Legal Name of Debtor	Type of Organization	Jurisdiction of Organization
VGFC Holdings LLC	Limited liability company	Delaware

B. Prior Legal Names

Debtor	Prior Legal Name and Date of Such Change (and to the extent the prior legal name is the result of a merger, list the state of incorporation and collateral locations of the merged company)
VGFC Holdings LLC	None.

C. Trade Names

Debtor	Tradename (and if invoices use tradename only, please indicate)
VGFC Holdings LLC	None.

SCHEDULE B

A. Chief Executive Offices

Debtor	Chief Executive Office (and name of record owner of such location)
VGFC Holdings LLC	2748 Rupert Street, Vancouver, BC (MPW Properties is the owner of this location)

B. Owned Real Estate

Debtor	Complete Street Address and Mailing Address	Legal Description
None.		

C. Leased Real Estate

Debtor	Complete Street Address and Mailing Address	Landlord and Landlord Address
VGFC Holdings LLC	220 S. 1st Street, Patterson, CA 95363	Traina Pacific, LLC 3731 Finch Road Modesto, CA 95357

SCHEDULE C

A. Trademarks

Debtor	Jurisdiction	Registration/ Serial Number	Title	Issue Date/ Filing Date
None.				

B. Copyrights

Debtor	Jurisdiction	Registration/ Serial Number	Title	Issue Date/ Filing Date
None.				

C. Patents

Debtor	Jurisdiction	Registration/ Serial Number	Title	Issue Date/ Filing Date
None.				

SCHEDULE D**A. Legal Description of any Real Estate with Fixtures (and name of record owner of such Real Estate)**

Debtor	Legal Description	Record Owner
None.		

SCHEDULE E**A. Deposit Accounts**

Debtor	Name of Depository Institution	Type of Account	Account Number
None.			



SCHEDULE F

A. Pledged Equity

Debtor	Name of Issuer	Percentage of Issuer's Equity	No. of Shares / Units	Class	Certificate No. (if applicable)	Cusip Number (if applicable)
None.						

B. Other Investment Property

Debtor	Issuer of Security	Description of Security
None.		

C. Instruments and Other Negotiable Documents

Debtor	Description
None.	

SCHEDULE G**A. Commercial Tort Claims**

Debtor	Description
None.	

SCHEDULE H**A. Filing Office**

Debtor	Filing Office
VGFC Holdings LLC	Delaware Secretary of State

EXHIBIT A

ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT

THIS ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT (this “*Agreement*”) dated as of this ____ day of _____, 20__ from [new Debtor], a _____ corporation/limited liability company/partnership (the “*New Debtor*”), to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the “*Secured Party*”). Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Security Agreement (as hereinafter defined).

PRELIMINARY STATEMENTS

A. VGFC Holdings LLC (the “*US Guarantor*”) and certain other parties have executed and delivered to the Secured Party that certain Security Agreement dated as of June 7, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*Security Agreement*”), pursuant to which such parties (the “*Existing Debtors*”) have granted to the Secured Party a Lien on and security interest in the Existing Debtors’ Collateral to secure the Secured Obligations.

B. The Borrower provides the New Debtor with substantial financial, managerial, administrative, and technical support and the New Debtor will benefit, directly and indirectly, from credit and other financial accommodations extended by the Secured Party to the Borrower.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Secured Party from time to time, the New Debtor hereby agrees as follows:

1. The New Debtor acknowledges and agrees that it shall become a “Debtor” party to the Security Agreement effective upon the date the New Debtor’s execution of this Agreement and the delivery of this Agreement to the Secured Party, and that upon such execution and delivery, all references in the Security Agreement to the terms “Debtor” or “Debtors” shall be deemed to include the New Debtor. Without limiting the generality of the foregoing, the New Debtor hereby repeats and reaffirms all grants (including the grant of a Lien and security interest), covenants, agreements, representations, and warranties contained in the Security Agreement as amended hereby, each and all of which are and shall remain applicable to the Collateral from time to time owned by the New Debtor or in which the New Debtor from time to time has any rights. Without limiting the foregoing, in order to secure payment of the Secured Obligations, whether now existing or hereafter arising, the New Debtor does hereby grant to the Secured Party, and hereby agrees that the Secured Party has and shall continue to have a continuing Lien on and security interest in, among other things, all of the New Debtor’s Collateral, including, without limitation, all of the New Debtor’s Accounts, Chattel Paper, Instruments, Documents, General Intangibles Letter-of-Credit Rights, Supporting Obligations, Deposit Accounts, Investment Property, Inventory, Equipment, Fixtures, Commercial Tort Claims, and all of the other Collateral described in Section 2 of the Security Agreement, each and all of such granting clauses being incorporated

herein by reference with the same force and effect as if set forth herein in their entirety except that all references in such clauses to the Existing Debtors or any of them shall be deemed to include references to the New Debtor. Nothing contained herein shall in any manner impair the priority of the Liens and security interests heretofore granted in favor of the Secured Party under the Security Agreement.

2. The Schedules to the Security Agreement shall be supplemented by the schedules attached hereto with respect to the New Debtor.

3. The New Debtor hereby acknowledges and agrees that the Secured Obligations are secured by all of the Collateral according to, and otherwise on and subject to, the terms and conditions of the Security Agreement to the same extent and with the same force and effect as if the New Debtor had originally been one of the Existing Debtors under the Security Agreement and had originally executed the same as such an Existing Debtor.

4. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Security Agreement, except that any reference to the term "Debtor" or "Debtors" and any provision of the Security Agreement providing meaning to such term shall be deemed a reference to the Existing Debtors and the New Debtor. Except as specifically modified hereby, all of the terms and conditions of the Security Agreement shall stand and remain unchanged and in full force and effect.

5. The New Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Secured Party may deem necessary or proper to carry out more effectively the purposes of this Agreement.

6. No reference to this Agreement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, any reference to the Security Agreement in any of such to be deemed a reference to the Security Agreement as modified hereby.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

[INSERT NAME OF NEW DEBTOR]

By _____
Name _____
Title _____

Accepted and agreed to as of the date first above written.

WAYGAR CAPITAL INC., as agent

By _____
Name _____
Title _____

[SCHEDULES TO ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT]

A handwritten signature or set of initials in the bottom right corner of the page.

EXHIBIT B

SUPPLEMENTAL SECURITY AGREEMENT

THIS SUPPLEMENTAL SECURITY AGREEMENT (this “*Agreement*”) dated as of this ____ day of _____, 20__ from [Debtor], a _____ **corporation/limited liability company/partnership** (the “*Debtor*”), to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the “*Secured Party*”). Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Security Agreement (as hereinafter defined).

PRELIMINARY STATEMENTS

A. VGFC Holdings LLC (the “*US Guarantor*”) and certain other parties have executed and delivered to the Secured Party that certain Security Agreement dated as of June 7, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*Security Agreement*”), pursuant to which such parties have granted to the Secured Party a Lien on and security interest in the Collateral to secure the Secured Obligations.

B. Pursuant to the Security Agreement, the Debtor granted to the Secured Party, among other things, a continuing security interest in all Commercial Tort Claims.

C. The Debtor has acquired a Commercial Tort Claim, and executes and delivers this Agreement to confirm and assure the Secured Party’s security interest therein.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Secured Party from time to time, the Debtor hereby agrees as follows:

1. In order to secure payment of the Secured Obligations, whether now existing or hereafter arising, the Debtor does hereby grant to the Secured Party, and hereby agrees that the Secured Party has and shall continue to have a continuing Lien on and security interest in the Commercial Tort Claim described below:

(Insert description of the Commercial Tort Claim by referring to a specific incident giving rise to the claim)

2. Schedule G (Commercial Tort Claims) to the Security Agreement is hereby amended to include reference to the Commercial Tort Claim referred to in Section 1 above. The Commercial Tort Claim described herein is in addition to, and not in substitution or replacement for, the Commercial Tort Claims heretofore described in and subject to the Security Agreement, and nothing contained herein shall in any manner impair the priority of the Liens and security interests heretofore granted by the Debtor in favor of the Secured Party under the Security Agreement.

3. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Security Agreement, except that any reference to the term "Collateral" and any provision of the Security Agreement providing meaning to such term shall be deemed to include the Commercial Tort Claim referred to in Section 1 above. Except as specifically modified hereby, all of the terms and conditions of the Security Agreement shall stand and remain unchanged and in full force and effect.

4. The Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Secured Party may deem necessary or proper to carry out more effectively the purposes of this Agreement.

5. No reference to this Agreement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, any reference to the Security Agreement in any of such to be deemed a reference to the Security Agreement as modified hereby.

6. The Debtor acknowledges that this Agreement shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

[INSERT NAME OF DEBTOR]

By _____
Name _____
Title _____

This is Exhibit "I" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "THE VERY GOOD FOOD COMPANY INC."

Search Date and Time: January 11, 2023 at 9:33:38 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

24 Matches in 15 Registrations in Report

Exact Matches: 24 (*)

Total Search Report Pages: 35

	Base Registration	Base Registration Date	Debtor Name	Page
1	305464M	June 29, 2020	* THE VERY GOOD FOOD COMPANY INC.	3
2	305475M	June 29, 2020	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	5
3	398441M	August 12, 2020	* THE VERY GOOD FOOD COMPANY INC.	7
4	707758M	January 14, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	11
5	711351M	January 15, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	13
6	730730M	January 26, 2021	* THE VERY GOOD FOOD COMPANY	15
7	744902M	February 2, 2021	* THE VERY GOOD FOOD COMPANY INC.	17
8	753878M	February 5, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	19
9	983949M	May 20, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	22
10	985902M	May 21, 2021	* THE VERY GOOD FOOD COMPANY INC	24



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

* THE VERY GOOD FOOD COMPANY INC.

11	016668N	June 3, 2021	* THE VERY GOOD FOOD COMPANY INC.	26
			* THE VERY GOOD FOOD COMPANY INC.	
12	062450N	June 23, 2021	* THE VERY GOOD FOOD COMPANY	28
13	181728N	August 17, 2021	* THE VERY GOOD FOOD COMPANY INC.	30
			* THE VERY GOOD FOOD COMPANY INC.	
14	383049N	November 22, 2021	* THE VERY GOOD FOOD COMPANY INC.	32
15	772897N	June 2, 2022	* THE VERY GOOD FOOD COMPANY INC.	34
			* THE VERY GOOD FOOD COMPANY INC.	



Base Registration Number: 305464M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 29, 2020 at 9:12:29 am Pacific time
Current Expiry Date and Time:	June 29, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

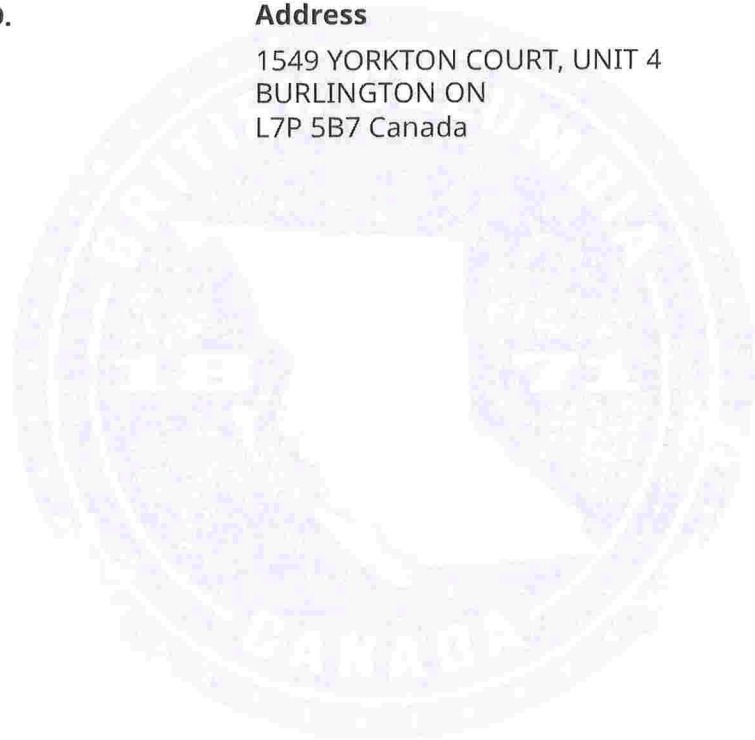
ONE AMFEC 510 MIXER BLENDER. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND ,INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



Base Registration Number: 305475M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 29, 2020 at 9:15:26 am Pacific time
Current Expiry Date and Time:	June 29, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada

THE VERY GOOD FOOD COMPANY
INC.

Address

220 S - 1ST STREET
PATTERSON CA
95363 United States of America

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ONE VEMAG HP-20E CONTINUOUS STUFFER AND LOADER, ONE VEMAG HP-3 CO-EX (ALGINATE) GEL PUMP, ONE VEMAG CC215 CRIMPER/CUTTER AND OPTIONS, ONE IN-LINE GRINDER-982 WITHOUT SEPARATING, ONE CUT-OFF AND FLATTENING CONVEYOR, ONE SEYDELMANN AC-CUTTER K-556 AC-8, ONE AMFEC 510 CO2 MIXER BLENDER WITH PLC CONTROLS AND VACUUM SYSTEM ONLY, ONE AMFEC 2- ,3K2 COLUMN DUMPER WITH PORTABLE BASE, AND QUANTITY OF 10 VEMAG CARTS. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND ,INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



Base Registration Number: 398441M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 12, 2020 at 12:20:35 pm Pacific time
Current Expiry Date and Time:	August 12, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2748 RUPERT ST
VANCOUVER BC
V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR ,THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF ,WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

Original Registering Party

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: March 16, 2021 at 4:32:18 pm Pacific time
Registration Number: 834884M
Description: CHANGE DEBTOR ADDRESS.

Debtor Information

**THE VERY GOOD FOOD COMPANY
INC.**
ADDRESS CHANGED

Address
2748 RUPERT ST
VANCOUVER BC
V5M 3T7 Canada

Registering Party Information

D & H LIMITED PARTNERSHIP

Address
4126 NORLAND AVENUE, SUITE 201
BURNABY BC
V5G 3S8 Canada

AMENDMENT

Registration Date and Time: November 26, 2020 at 11:18:03 am Pacific time
Registration Number: 618934M
Description: BUSINESS DEBTOR NAME AMENDED FROM: THE VERY GOOD BUTCHERS INC. TO:THE VERY GOOD FOOD COMPANY INC

Debtor Information

**THE VERY GOOD FOOD COMPANY
INC.**
(Formerly THE VERY GOOD BUTCHERS INC.)
NAME CHANGED

Address
UNIT 6, 1701 DOUGLAS STREET
VICTORIA BC
V8W 0C1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registering Party Information

D & H LIMITED PARTNERSHIP

Address

4126 NORLAND AVENUE, SUITE 201
BURNABY BC
V5G 3S8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 707758M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 14, 2021 at 7:45:02 am Pacific time
Current Expiry Date and Time:	January 14, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

1701 DOUGLAS STREET, UNIT 6
VICTORIA BC
V8T 4P6 Canada

THE VERY GOOD FOOD COMPANY
INC.

Address

2768 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

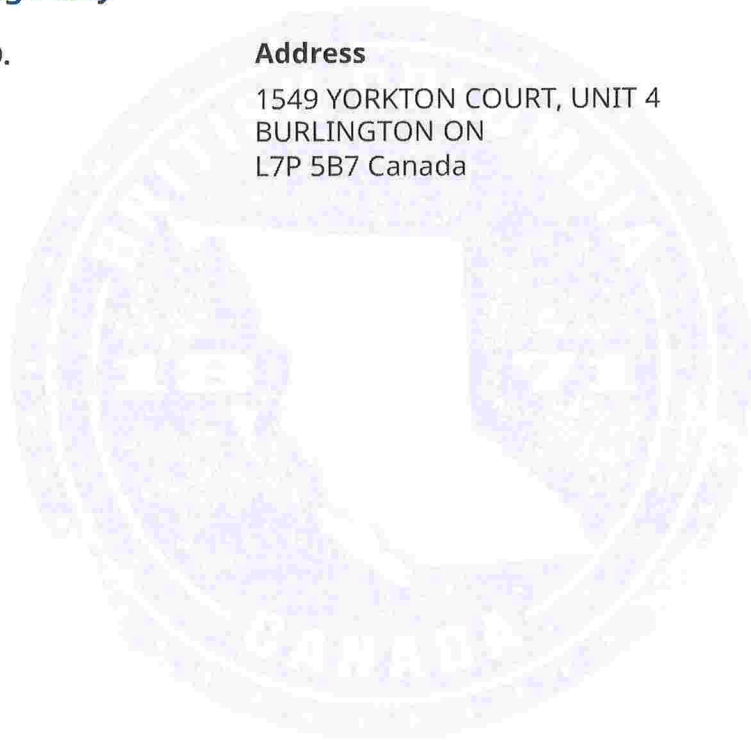
ONE AMFEC MODEL 510 VACUUM MIXER BLENDER W/C02. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND ,INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



Base Registration Number: 711351M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 15, 2021 at 1:54:52 pm Pacific time
Current Expiry Date and Time:	January 15, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada

THE VERY GOOD FOOD COMPANY
INC.

Address

2768 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

TWO AMFEC BRINE TANKS (400 GALLON), ONE AMFEC WORK PLATFORM FOR BRINE TANKS, TWO AMFEC MODEL 15C DIRECT PIVOT DUMPERS, TWO AMFEC 2- 3K2 COLUMN DUMPERS, TWO AMFEC 510 C02 MIXER BLENDEES (2,500 LB), ONE AMFEC WORK PLATFORM FOR AMFEC MIXERS. QTY OF 20 - VEMAG CARTS (200 LITRE), AND ONE VEMAG PARTS STORAGE ,CART. SALES AGREEMENT RCC-20-0468.4.R2, DATED AND SIGNED JANUARY 6, 2021. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Base Registration Number: 730730M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 26, 2021 at 11:49:20 am Pacific time
Current Expiry Date and Time:	January 26, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

MODERN FORKLIFT SERVICES LTD	Address
	PO BOX 21043 MRSQ RPO MAPLE RIDGE BC V2X 1P7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY	Address
	2768 RUPERT STREET VANCOUVER BC V5M 3T7 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)		CRWON 3000LBS END RIDER / -	1A337040
Motor Vehicle (MV)		HYSTER / 4000LBS JACK	B218N28984L
Motor Vehicle (MV)		HYSTER / 4000LBS JACK	B218N15391F
Motor Vehicle (MV)		CATERPILLAR / 5000LBS	AT3504148
Motor Vehicle (MV)		JLG / SCISSOR LIFT	0200233913
Motor Vehicle (MV)		CROWN / 4500LBS REACH TRUCK	1A354431

General Collateral

Base Registration General Collateral:

FORKLIFTS - CROWNS, HYSTERS, CATERPILLAR, JLG

Original Registering Party

MODERN FORKLIFT SERVICES LTD

Address

PO BOX 21043 MRSQ RPO
MAPLE RIDGE BC
V2X 1P7 Canada

Base Registration Number: 744902M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: February 2, 2021 at 7:48:07 am Pacific time
Current Expiry Date and Time: February 2, 2024 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

FORD CREDIT CANADA LEASING,
DIVISION OF CANADIAN ROAD
LEASING COMPANY

Address
PO BOX 2400
EDMONTON AB
T5J 5C7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address
1701 DOUGLAS ST
VICTORIA BC
V8W 0C1 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2021	FORD / F150	1FTFW1E59MKD03176

General Collateral

None.

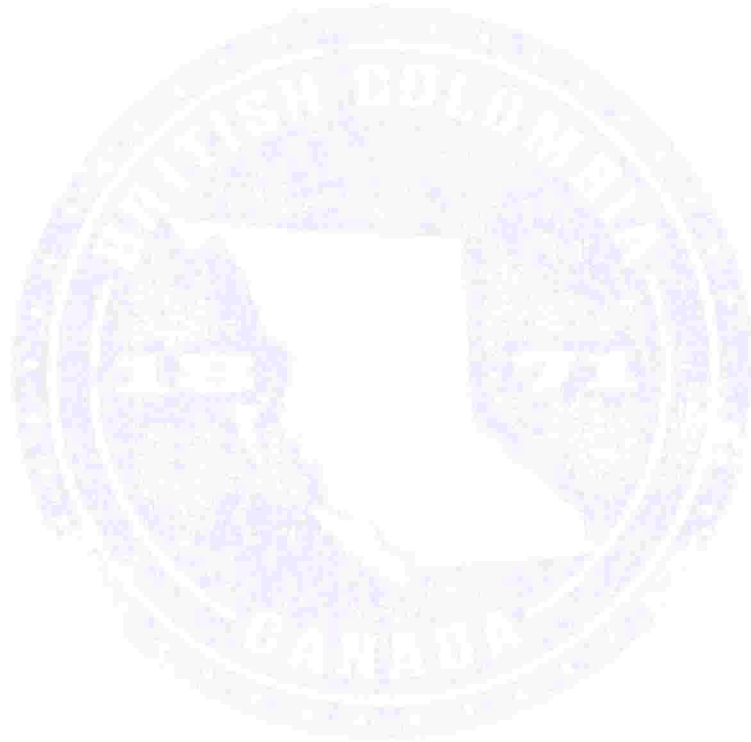


Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON
L4Z 1H8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 753878M

DISCHARGED

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	February 5, 2021 at 10:12:35 am Pacific time
Discharge Date and Time:	January 6, 2023 at 12:16:40 pm Pacific time
Current Expiry Date and Time:	February 5, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC.	Address 630 - 401 THE WEST MALL TORONTO ON M9C 5J5 Canada
--	---

Debtor Information

THE VERY GOOD FOOD COMPANY INC.	Address 6-1710 DOUGLAS STREET VICTORIA BC V8W 2G7 Canada
--	--

THE VERY GOOD FOOD COMPANY INC.	Address 941 ELLERY STREET VICTORIA BC V9A 4R9 Canada
--	--



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2015	TOYOTA / 7FBEU18	28918

General Collateral

Base Registration General Collateral:

MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS, ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT)

Original Registering Party

**TOYOTA INDUSTRIES COMMERCIAL
FINANCE CANADA, INC.**

Address

630 - 401 THE WEST MALL
TORONTO ON
M9C 5J5 Canada



HISTORY

(Showing most recent first)

TOTAL DISCHARGE

Registration Date and Time: January 6, 2023 at 12:16:40 pm Pacific time
Registration Number: 287897P

Registering Party Information

PPSACANADA.COM

Address

1136 CENTRE STREET, SUITE 185
THORNHILL ON
L4J 3M8 Canada

AMENDMENT

Registration Date and Time: February 26, 2021 at 6:45:46 am Pacific time
Registration Number: 794047M
Description: ADD DEBTOR

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

ADDED

Address

941 ELLERY STREET
VICTORIA BC
V9A 4R9 Canada

Registering Party Information

TOYOTA INDUSTRIES
COMMERCIAL FINANCE CANADA,
INC.

Address

630 - 401 THE WEST MALL
TORONTO ON
M9C 5J5 Canada



Base Registration Number: 983949M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 20, 2021 at 12:29:40 pm Pacific time
Current Expiry Date and Time:	May 20, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

THE VERY GOOD FOOD COMPANY
INC.

Address

2788 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

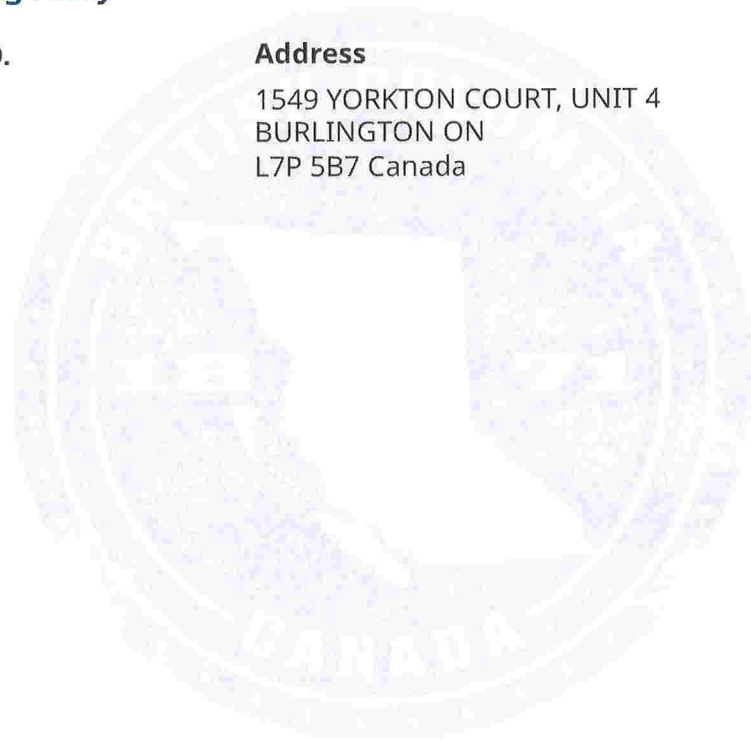
ONE VEMAG BC237 ON RCC-21-0187.4.R1 DATED APRIL 20 AND SIGNED MAY 20, 2021. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 985902M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:13:27 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

THE VERY GOOD FOOD COMPANY INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



Base Registration Number: 016668N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 3, 2021 at 1:43:47 pm Pacific time
Current Expiry Date and Time:	June 3, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

THE VERY GOOD FOOD COMPANY
INC.

Address

2788 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ONE VEMAG HP-25E CONTINUOUS STUFFER, ONE VEMAG MMP223L CONTINUOUS SERVO PORTIONER, ONE P2P BELT, ONE VEMAG AML273 BALLFORMER AND LOADING SYSTEM - CUSTOM, ONE VEMAG LINK LOADER LL335, ONE WALDROP 2380/1250 TRAY FEEDING AND DENESTING SYSTEM (CUSTOM), ONE BUFFER CONVEYOR 6' X \ WIDE, ONE VEMAG FM250, ONE FM250 PP INTERLEAVER, ONE ,WALDROP 2380/1250 TRAY FEEDING AND DENESTING SYSTEM (CUSTOM), QTY OF 2 - AMFEC 2-3K2 COLUMN DUMPERS - TALL, AND ONE AMFEC PART POSITIONER. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



Base Registration Number: 062450N

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: June 23, 2021 at 10:12:21 am Pacific time
Current Expiry Date and Time: June 23, 2024 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

MODERN FORKLIFT SERVICES LTD **Address**
 PO BOX 21043 MRSQ RPO
 MAPLE RIDGE BC
 V2X 1P7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY **Address**
 2768 RUPERT STREET
 VANCOUVER BC
 V5M 3T7 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)		CRWON RC 5545-40 END RIDE / -	1A428435

General Collateral

Base Registration General Collateral:
 CROWN FORKLIFT



Original Registering Party

MODERN FORKLIFT SERVICES LTD

Address

PO BOX 21043 MRSQ RPO
MAPLE RIDGE BC
V2X 1P7 Canada



Base Registration Number: 181728N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 17, 2021 at 9:41:56 am Pacific time
Current Expiry Date and Time:	August 17, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

THE VERY GOOD FOOD COMPANY
INC.

Address

2788 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ONE VEMAG HP-20E CONTINUOUS STUFFER WITH BUILT-IN LOADER, INLET MODIFICATION (5\) AND IN-LINE GRINDER 982. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



Base Registration Number: 383049N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 22, 2021 at 12:05:14 pm Pacific time
Current Expiry Date and Time:	November 22, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY
INC.

Address

2748 RUPERT ST.
VANCOUVER BC
V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON
L4Z 1H8 Canada



Base Registration Number: 772897N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 2, 2022 at 2:35:46 pm Pacific time
Current Expiry Date and Time:	June 2, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

C.T. CONTROL TEMP LTD.

Address

4340 DAWSON STREET
BURNABY BC
V5C 4B6 Canada

Debtor Information

**THE VERY GOOD FOOD COMPANY
INC.**

Address

2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

**THE VERY GOOD FOOD COMPANY
INC.**

Address

2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

One (1) CO2 purity system with a serial number LMP2104027 and one (1) gas cooler with reference GGFW090.2A05/6JA-E355L/08P.M, including all present and future parts, accessories, attachments, additions and accessions thereto and substitutions therefor.

Proceeds: Goods, Securities, Instruments, Documents of Title, Chattel Paper, Intangibles, all as defined in the Personal Property Security Act of British Columbia and Regulations thereunder, derived directly or indirectly from any dealings with the original collateral.

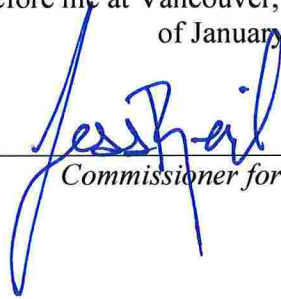
Original Registering Party

DLA PIPER (CANADA) LLP

Address

SUITE 2800 PARK PLACE
666 BURRARD STREET
VANCOUVER BC
V6C 2Z7 Canada

This is Exhibit "J" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits





Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: The Very Good Food Company Inc.

Jurisdiction: Secretary of State, Delaware

Search Type: Federal Tax Lien

Results: No Records Found /See Attached Certified Search

Searched Through: 10/31/2022

Searched: 10 Years

Search Type: UCC Lien

Results: See Attached Certified Search with 1 Copy Attached

Searched Through: 10/31/2022

Searched: 5 Years

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings .

Delaware

Page 1

The First State

CERTIFICATE

SEARCHED NOVEMBER 29, 2022 AT 2:00 P.M.
FOR DEBTOR, THE VERY GOOD FOOD COMPANY INC.

1 OF 1 FINANCING STATEMENT 20214394301

DEBTOR: THE VERY GOOD FOOD COMPANY INC.
EXPIRATION DATE: 06/07/2026

2748 RUPTER STREET ADDED 06-07-21

VANCOUVER, BC CA V5M3T7

SECURED: WAYGAR CAPITAL INC., AS AGENT

25 KING STREET WEST, SUITE 1700 ADDED 06-07-21

TORONTO, ON CA M5L2A1

F I L I N G H I S T O R Y

20214394301 FILED 06-07-21 AT 10:30 A.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, THE VERY GOOD FOOD COMPANY INC. AS OF OCTOBER 31, 2022 AT 11:59 P.M.



Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State

20239582349-UCC11
SR# 20224123517

Authentication: 204956949
Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

AK

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; width: 80%; margin: auto; padding: 10px;"> <div style="border: 1px solid black; width: 100%; height: 100%;"></div> </div>

Delaware Department of State
 U.C.C. Filing Section
 Filed: 10:30 AM 06/07/2021
 U.C.C. Initial Filing No: 2021 4394301

 Service Request No: 20212368487

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME The Very Good Food Company Inc.				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 2748 Rupert Street		CITY Vancouver	STATE BC	POSTAL CODE V5M 3T7
COUNTRY CAN				

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
COUNTRY				

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Waygar Capital Inc., as Agent				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 25 King Street West, Suite 1700		CITY Toronto	STATE ON	POSTAL CODE M5L 2A1
COUNTRY CAN				

4. COLLATERAL: This financing statement covers the following collateral:

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, Item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility	6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licenser	

8. OPTIONAL FILER REFERENCE DATA:
File with: Delaware - Secretary of State Matter No. 4355699

Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: The Very Good Food Company Inc.

Jurisdiction: Recorder of Deeds, Dist. of Columbia

Search Type: UCC Lien	Searched Through: 11/28/2022
Results: See Attached Listing of Records Found with 2 Copies Attached	Searched: 5 Years

Document Listing:

Presently on Record:

File #	File Date	Type of Filing	Party
2021076540	06/07/2021	Original Financing Statement	WAYGAR CAPITAL INC., AS AGENT

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings .

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<input type="checkbox"/> John Cunningham CT Corporation 208 S. LaSalle Suite 814 Chicago, IL 60604

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME				
The Very Good Food Company Inc.				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2748 Rupert Street	Vancouver	BC	V5M 3T7	CAN

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME				
Waygar Capital Inc., as Agent				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
25 King Street West, Suite 1700	Toronto	ON	M5L 2A1	CAN

4. COLLATERAL: This financing statement covers the following collateral:

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

File with: Dist. of Columbia - Recorder of Deeds Matter No. 4355699

Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: The Very Good Food Company Inc.

Jurisdiction: Secretary of State, California

Search Type: Federal Tax Lien
Results: No Records Found

Searched Through: 11/18/2022
Searched: 10 Years

Search Type: State Tax Lien
Results: No Records Found

Searched Through: 11/18/2022
Searched: 10 Years

Search Type: Judgment Lien
Results: No Records Found

Searched Through: 11/18/2022
Searched: 5 Years

Search Type: UCC Lien
Results: See Attached Listing of Records Found with 1 Copy
Attached

Searched Through: 11/18/2022
Searched: 5 Years

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings.

Date: Nov.29, 2022

CT Lien Solutions
UCC Search Report

The following represents a listing of the documentation you requested through a careful search of effective UCC filings recorded in the Office of the Secretary of State CA, Secretary of State licensed from the State of an independent third party and maintained in a computerized form and available through our offices. Variations of the Name and Address of the search key may appear on this report as a result of the search findings and your individual request for that information.

This report reflects record effective through Nov.18, 2022.

Because we cannot independently verify the accuracy of the public information maintained by the responsible government agency or other sources of this data, we make no guaranties, representations or warranties as to the accuracy or completeness of this report. We cannot and do not accept any liability for errors or omissions.

State of CA, Secretary of State, Secretary of State UCC Debtor Name Search results performed on following

Search Key :

Name = The Very Good Food Company Inc.

1. U210053995124 ORIGINAL filed on Jun. 07, 2021
expires on Jun. 07, 2026

Debtor

THE VERY GOOD FOOD COMPANY INC.
2748 RUPERT STREET VANCOUVER BC V5M 3T7

SecuredParty

WAYGAR CAPITAL INC. , AS AGENT
25 KING STREET WEST, SUITE 1700

[End of Report]



For Office Use Only
-FILED-
 File #: U210053995124
 Date Filed: 6/7/2021

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)
 C T CORPORATION
 555 CAPITOL MALL, SUITE 1150
 SACRAMENTO, CA 95814
 80841343/6
 ACCOUNT 00051

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME The Very Good Food Company Inc.			
OR 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 2748 Rupert Street		CITY Vancouver	STATE BC
		POSTAL CODE V5M 3T7	COUNTRY CAN

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME			
OR 2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE
		POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Waygar Capital Inc., as Agent			
OR 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 25 King Street West, Suite 1700		CITY Toronto	STATE ON
		POSTAL CODE M5L 2A1	COUNTRY CAN

4. COLLATERAL: This financing statement covers the following collateral:

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

File with: California - Secretary of State Matter No. 4355699

B0400-1199 06/07/2021 5:00 PM Received by California Secretary of State

This is Exhibit "K" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1218158 B.C. LTD."

Search Date and Time: January 11, 2023 at 9:36:38 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

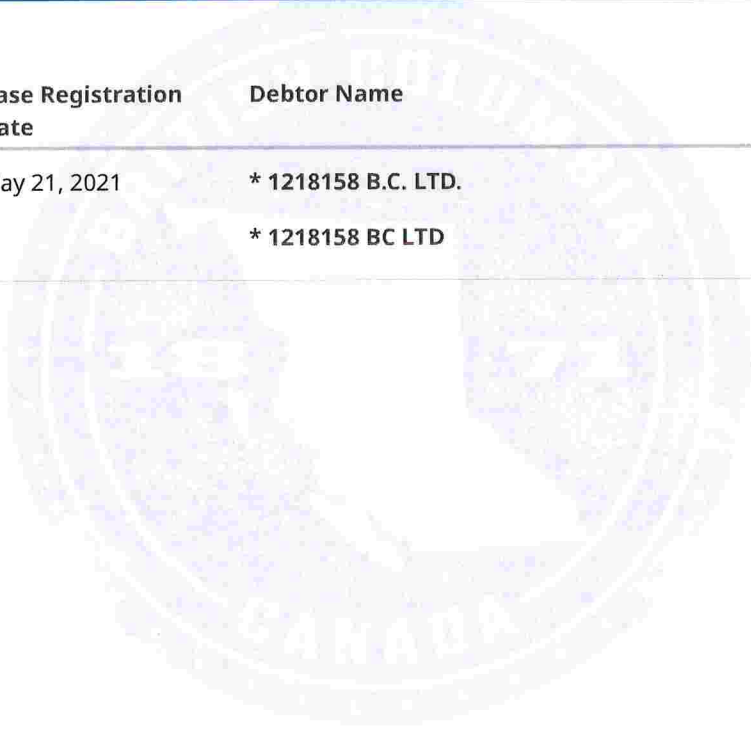
TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	985892M	May 21, 2021	* 1218158 B.C. LTD. * 1218158 BC LTD	2



Base Registration Number: 985892M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:12:38 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:36:38 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT **Address**
1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada

Debtor Information

1218158 B.C. LTD. **Address**
2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

1218158 BC LTD **Address**
2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



Handwritten initials or a signature in blue ink, located in the bottom right corner of the page.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1218169 B.C. LTD."

Search Date and Time: January 11, 2023 at 9:35:16 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	985900M	May 21, 2021	* 1218169 B.C. LTD. * 1218169 BC LTD	2

Base Registration Number: 985900M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:13:05 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:35:16 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

1218169 B.C. LTD.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

1218169 BC LTD	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "THE CULTURED NUT INC."

Search Date and Time: January 11, 2023 at 9:38:07 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

5 Matches in 2 Registrations in Report

Exact Matches: 5 (*)

Total Search Report Pages: 7

	Base Registration	Base Registration Date	Debtor Name	Page
1	585129M	November 10, 2020	* THE CULTURED NUT INC * THE CULTURED NUT INC * THE CULTURED NUT INC	2
2	985834M	May 21, 2021	* THE CULTURED NUT INC * THE CULTURED NUT INC.	6

Base Registration Number: 585129M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 10, 2020 at 7:25:23 am Pacific time
Current Expiry Date and Time:	November 10, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:38:07 am Pacific time)

Secured Party Information

**BODKIN, A DIVISION OF
BENNINGTON FINANCIAL CORP.**

Address

102-1465 NORTH SERVICE RD E
OAKVILLE ON
L6H 1A7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information

DARBY, JANET MARIE	Address 282 PALLISIER AVE VICTORIA BC V9B 1C4 Canada	Birthdate February 1, 1961
---------------------------	--	--------------------------------------

THE CULTURED NUT INC	Address 201 - 19 DALLAS ROAD VICTORIA BC V8V 5A6 Canada
-----------------------------	---

DARBY, JANET	Address 282 PALLISIER AVE VICTORIA BC V9B 1C4 Canada	Birthdate February 1, 1961
---------------------	--	--------------------------------------

THE CULTURED NUT INC	Address 776 FAIRVIEW RD, UNIT 6 ESQUIMALT BC V9A 5V1 Canada
-----------------------------	---

THE CULTURED NUT INC	Address 282 PALLISIER AVE VICTORIA BC V9B 1C4 Canada
-----------------------------	--

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

PURSUANT TO LEASE AGREEMENT 50011880, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50011880 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH ,COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE ,TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 1343 IRINOX 1343 / ICY SMALL - SMALL BLAST CHILLER/SHOCK FREEZER

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: November 10, 2020 at 11:47:09 am Pacific time
Registration Number: 585895M
Description: AMEND DEBTOR FROM: THE CULTURED NUT INC 776 FAIRVIEW RD ESQUIMALT, BC, V9A5V1 TO: THE CULTURED NUT INC 776 FAIRVIEW RD, UNIT 6 ESQUIMALT, BC, V9A5V1 ADD DEBTOR: THE CULTURED NUT INC (282 PALLISIER AVE)

Debtor Information

THE CULTURED NUT INC

ADDRESS CHANGED

Address

776 FAIRVIEW RD, UNIT 6
ESQUIMALT BC
V9A 5V1 Canada

THE CULTURED NUT INC

ADDED

Address

282 PALLISIER AVE
VICTORIA BC
V9B 1C4 Canada

Registering Party Information

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

Base Registration Number: 985834M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: May 21, 2021, at 7:07:29 am Pacific time
Current Expiry Date and Time: May 21, 2026 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 9:38:07 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT **Address**
1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada

Debtor Information

THE CULTURED NUT INC. **Address**
2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

THE CULTURED NUT INC **Address**
2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "The Very Good Butchers Inc."

Search Date and Time: January 11, 2023 at 11:34:48 am Pacific time
Account Name: MLT AIKINS LLP
Folio Number: 160151.1

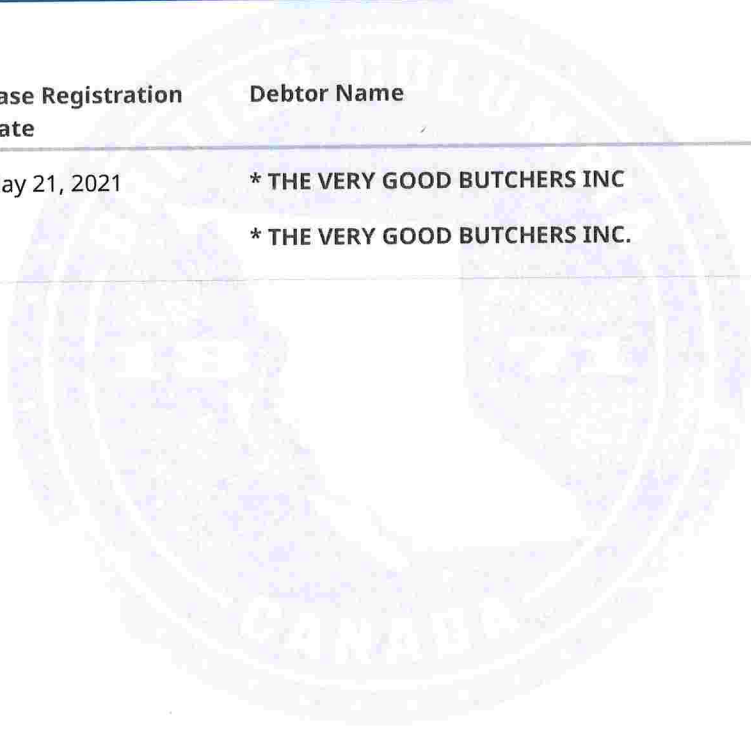
TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	985838M	May 21, 2021	* THE VERY GOOD BUTCHERS INC * THE VERY GOOD BUTCHERS INC.	<u>2</u>



Base Registration Number: 985838M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:07:56 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 11:34:48 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

THE VERY GOOD BUTCHERS INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

THE VERY GOOD BUTCHERS INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



A handwritten signature in blue ink, located in the bottom right corner of the page.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "LLOYD-JAMES MARKETING GROUP INC."

Search Date and Time: January 11, 2023 at 9:38:59 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

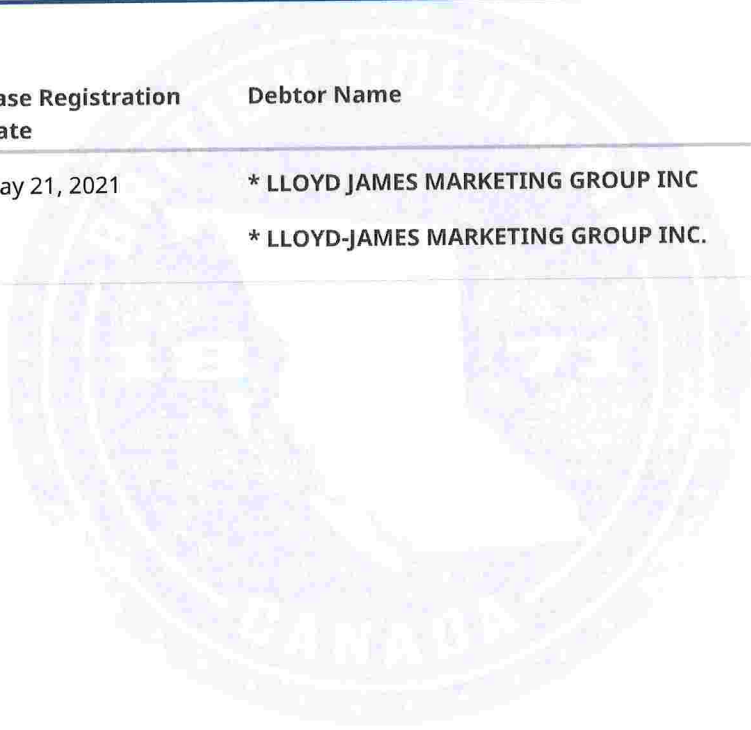
TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	985824M	May 21, 2021	* LLOYD JAMES MARKETING GROUP INC	<u>2</u>
			* LLOYD-JAMES MARKETING GROUP INC.	



Base Registration Number: 985824M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:06:59 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 9:38:59 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

LLOYD-JAMES MARKETING GROUP INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

LLOYD JAMES MARKETING GROUP INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "VGFC HOLDINGS LLC"

Search Date and Time: January 11, 2023 at 9:39:51 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

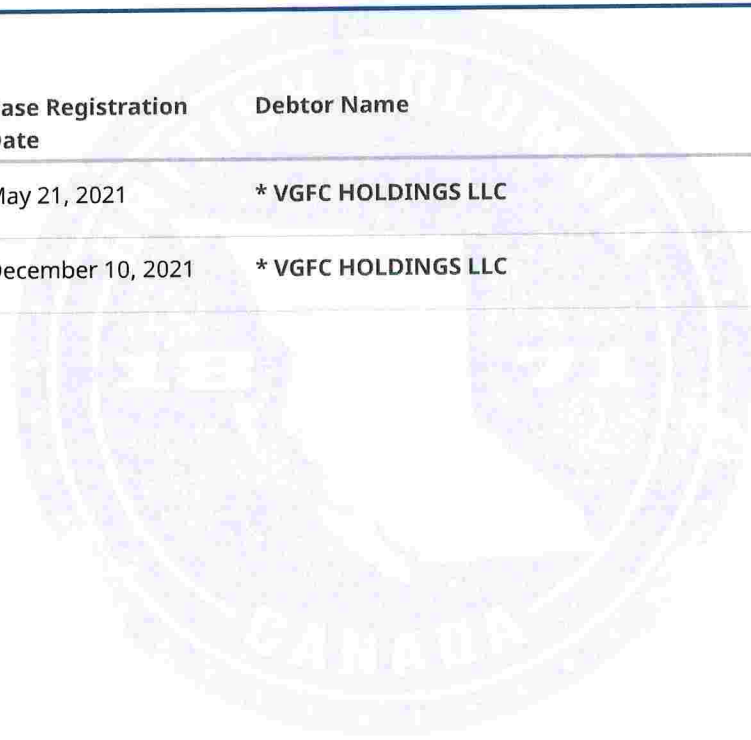
TABLE OF CONTENTS

2 Matches in 2 Registrations in Report

Exact Matches: 2 (*)

Total Search Report Pages: 5

	Base Registration	Base Registration Date	Debtor Name	Page
1	985819M	May 21, 2021	* VGFC HOLDINGS LLC	2
2	421802N	December 10, 2021	* VGFC HOLDINGS LLC	4



Base Registration Number: 985819M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:06:33 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 9:39:51 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

VGFC HOLDINGS LLC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



Base Registration Number: 421802N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 10, 2021 at 12:42:17 pm Pacific time
Current Expiry Date and Time:	December 10, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 9:39:51 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

VGFC HOLDINGS LLC

Address

220 S. FIRST STREET
PATTERSON CA
95363 United States of America

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ONE VEMAG HP-20E CONTINUOUS STUFFER, ONE VEMAG MMP223 SERVO POSITIONER, ONE 230 LITRE HOPPER FOR VEMAG V500, 1 SHEETER FOR RIBS. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



This is Exhibit "L" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: VGFC Holdings LLC

Jurisdiction: Secretary of State, Delaware

Search Type: Federal Tax Lien

Results: No Records Found /See Attached Certified Search

Searched Through: 10/31/2022

Searched: 10 Years

Search Type: UCC Lien

Results: See Attached Certified Search with 7 Copies Attached

Searched Through: 10/31/2022

Searched: 5 Years

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings .

Delaware

Page 1

The First State

CERTIFICATE

SEARCHED NOVEMBER 29, 2022 AT 2:00 P.M.
FOR DEBTOR, VGFC HOLDINGS LLC

1 OF 7 FINANCING STATEMENT 20214017910

DEBTOR: EXPIRATION DATE: 05/24/2026
VGFC HOLDINGS LLC
220 S FIRST ST ADDED 05-24-21
PATTERSON, CA US 95363
SECURED: ROBERT REISER & CO., INC.
725 DEDHAM STREET ADDED 05-24-21
CANTON, MA US 02021

FILING HISTORY

20214017910 FILED 05-24-21 AT 2:01 P.M. FINANCING STATEMENT

2 OF 7 FINANCING STATEMENT 20214233368

DEBTOR: EXPIRATION DATE: 06/01/2026
VGFC HOLDINGS LLC
220 S FIRST ST ADDED 06-01-21
PATTERSON, CA US 95363



Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State

20239582410-UCC11
SR# 20224123538

Authentication: 204956962
Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

MC

Delaware

The First State

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET

ADDED 06-01-21

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214233368 FILED 06-01-21 AT 2:03 P.M. FINANCING STATEMENT

3 OF 7

FINANCING STATEMENT

20214233939

EXPIRATION DATE: 06/01/2026

DEBTOR: VGFC HOLDINGS LLC

220 S FIRST ST

ADDED 06-01-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET

ADDED 06-01-21

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214233939 FILED 06-01-21 AT 2:18 P.M. FINANCING STATEMENT



Handwritten signature of Jeffrey W. Blalock
Jeffrey W. Blalock, Secretary of State

20239582410-UCC11
SR# 20224123538

Authentication: 204956962
Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

Handwritten initials

Delaware

The First State

4 OF 7

FINANCING STATEMENT

20214394004

EXPIRATION DATE: 06/07/2026
 DEBTOR: VGFC HOLDINGS LLC

2748 RUPERT STREET

ADDED 06-07-21

VANCOUVER, BC CA V5M3T7

SECURED: WAYGAR CAPITAL INC., AS AGENT

25 KING STREET WEST, SUITE 1700

ADDED 06-07-21

TORONTO, ON CA M5L2A1

F I L I N G H I S T O R Y

20214394004 FILED 06-07-21 AT 10:22 A.M. FINANCING STATEMENT

5 OF 7

FINANCING STATEMENT

20214526761

EXPIRATION DATE: 06/10/2026
 DEBTOR: VGFC HOLDINGS LLC

220 S FIRST ST

ADDED 06-10-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET

ADDED 06-10-21



Robert Reiser
 Robert Reiser, Secretary of State

20239582410-UCC11
 SR# 20224123538

Authentication: 204956962
 Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

JK

Delaware

The First State

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214526761 FILED 06-10-21 AT 2:18 P.M. FINANCING STATEMENT

6 OF 7 FINANCING STATEMENT 20214529138

DEBTOR: EXPIRATION DATE: 06/10/2026
VGFC HOLDINGS LLC

220 S FIRST ST ADDED 06-10-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET ADDED 06-10-21

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214529138 FILED 06-10-21 AT 3:11 P.M. FINANCING STATEMENT

7 OF 7 FINANCING STATEMENT 20217163224

EXPIRATION DATE: 09/09/2026



J. Reiser
Jeffrey W. Reiser, Secretary of State

20239582410-UCC11
SR# 20224123538

Authentication: 204956962
Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

JK

Delaware

The First State

DEBTOR: VGFC HOLDINGS LLC
 220 S FIRST ST
 PATTERSON, CA US 95363
 ADDED 09-09-21

SECURED: ROBERT REISER AND COMPANY
 725 DEDHAM STREET
 CANTON, MA US 02021
 ADDED 09-09-21

F I L I N G H I S T O R Y

20217163224 FILED 09-09-21 AT 1:34 P.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, VGFC HOLDINGS LLC AS OF OCTOBER 31, 2022 AT 11:59 P.M.



Jeremy W. Rulnick

 Jeremy W. Rulnick, Secretary of State

20239582410-UCC11
 SR# 20224123538

Authentication: 204956962
 Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

M

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIEN SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@WOLTERSKLUMER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) <input type="checkbox"/> P.O. BOX 29071 GLENDALE, CA 91209-9071 <input type="checkbox"/> US

Delaware Department of State
 U.C.C. Filing Section
 Filed: 02:01 PM 05/24/2021
 U.C.C. Initial Filing No: 2021 4017910

 Service Request No: 20212026068

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC						
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 220 S FIRST ST			CITY PATERSON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER & CO., INC.						
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 725 DEBHAM STREET			CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. **COLLATERAL:** This financing statement covers the following collateral:
One SEYDELMANN Model K-60 AC-8 Cutter

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transferring Utility Agricultural Lien Non-UCC Filing

6b. Check only if applicable and check only one box:
 Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. **OPTIONAL FILER REFERENCE DATA:**
DE-0-80637190-61396696

International Association of Commercial Administrators

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
LIEN SOLUTIONS 800-331-3282

B. E-MAIL CONTACT AT FILER (optional)
UCCFILINGRETURN@WOLTERSNUMER.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

P.O. BOX 29071
GLENDALE, CA 91209-9071
US

Delaware Department of State
U.C.C. Filing Section
Filed: 02:03 PM 06/01/2021
U.C.C. Initial Filing No: 2021 4233368
Service Request No: 20212295418

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
VGFC HOLDINGS LLC

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
PATERSON	CA	95363	US

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
ROBERT REISER AND COMPANY

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
CANTON	MA	02021	US

4. **COLLATERAL:** This financing statement covers the following collateral:
ANFEC 510 Mixer Blender

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessor/Lessee Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:
DE-0-80759958-61453035

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
 LIEN SOLUTIONS 800-331-3282

B. E-MAIL CONTACT AT FILER (optional)
 UCCFILINGRETURN@WOLTERSKLUMER.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

P.O. BOX 29071
 GLENDALE, CA 91209-9071
 US

Delaware Department of State
 U.C.C. Filing Section
 Filed: 02:18 PM 06/01/2021
 U.C.C. Initial Filing No: 2021 4233939
 Service Request No: 20212296421

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
 VGFPC HOLDINGS LLC

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
PATERSON	CA	95363	US

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
 ROBERT REISER AND COMPANY

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
CANTON	MA	02021	US

4. **COLLATERAL:** This financing statement covers the following collateral:
 One VEMAG Model 500 Continuous Stuffer

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignor/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
 DE-0-80760222-61453208

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Delaware Department of State
 U.C.C. Filing Section
 Filed: 10:22 AM 06/07/2021
 U.C.C. Initial Filing No: 2021 4394004
 Service Request No: 20212368366

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC Holdings LLC	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 1b. INDIVIDUAL'S SURNAME			
1c. MAILING ADDRESS 2748 Rupert Street	CITY Vancouver	STATE BC	POSTAL CODE V5M 3T7
			COUNTRY CAN

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 2b. INDIVIDUAL'S SURNAME			
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
			COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Waygar Capital Inc., as Agent	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 3b. INDIVIDUAL'S SURNAME			
3c. MAILING ADDRESS 25 King Street West, Suite 1700	CITY Toronto	STATE ON	POSTAL CODE M5L 2A1
			COUNTRY CAN

4. COLLATERAL: This financing statement covers the following collateral:

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

File with: Delaware - Secretary of State Matter No. 4355699

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIEN SOLUTIONS 800-331-3282	
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@WOLTERSFLUMER.COM	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US	

Delaware Department of State
 U.C.C. Filing Section
 Filed: 02:18 PM 06/10/2021
 U.C.C. Initial Filing No: 2021 4526761

 Service Request No: 20212413983

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC			
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE COUNTRY
220 S FIRST ST	RATTERSON	CA	95363 US

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME			
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT KEISER AND COMPANY			
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE COUNTRY
725 DEDHAM STREET	CANTON	MA	02021 US

4. **COLLATERAL:** This financing statement covers the following collateral:
 One SEYDELMANN Model K60 AC-8 Cutter

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:
 DE-0-80918111-61521010

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIEN SOLUTIONS 800-331-3282	
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@COLTERSKLUWER.COM	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
P.O. BOX 29071]
GLENDAL, CA 91209-9071	
US	

Delaware Department of State
 U.C.C. Filing Section
 Filed: 03:11 PM 06/10/2021
 U.C.C. Initial Filing No: 2021 4529138

Service Request No: 20212415161

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFPC HOLDINGS LLC				
OR	1b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 220 S FIRST ST		CITY PATERSON	STATE CA	POSTAL CODE 95363
			COUNTRY US	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER AND COMPANY				
OR	3b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 725 DEBHAM STREET		CITY CANTON	STATE MA	POSTAL CODE 02021
			COUNTRY US	

4. COLLATERAL: This financing statement covers the following collateral:
 One AMFEC 510 Mixer Blender

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

DE-0-80919769-61521735

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIEN SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@WOLTERSKLUMER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US

Delaware Department of State
U.C.C. Filing Section
Filed: 01:34 PM 09/09/2021
U.C.C. Initial Filing No: 2021 7163224

Service Request No: 20213202622

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC					
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 220 S FIRST ST		CITY PATERSON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER AND COMPANY					
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 725 DEDHAM STREET		CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:
One AMFEC 510 Mixer Blender

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing

6b. Check only if applicable and check only one box:

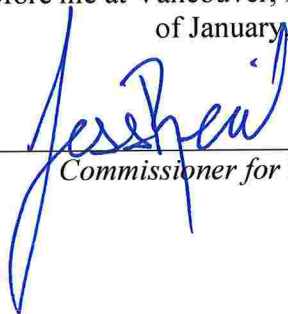
7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

DE-0-82354101-62137356

International Association of Commercial Administrators

This is Exhibit "M" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

A handwritten signature in blue ink, appearing to read "James Bruce", is written over a horizontal line.

Commissioner for Taking Affidavits

A small, stylized handwritten mark in blue ink, possibly initials, is located in the bottom right corner of the page.

WAYGAR CAPITAL

November 29, 2022

The Very Good Food Company Inc.
2748 Rupert Street
Vancouver, BC V5M 3T7

Attention: Chief Financial Officer

Dear Sirs:

Re: Loan Agreement dated June 7, 2021 among Waygar Capital Inc., agent for Ninepoint Canadian Senior Debt Master Fund L.P., as lender (the "Lender"), The Very Good Food Company Inc. as borrower (the "Borrower") and 1218169 B.C. Ltd., 1218158 B.C. Ltd., The Very Good Butchers Inc., The Cultured Nut Inc., Lloyd-James Marketing Inc., and VGFC Holdings LLC (collectively as the "Guarantors" and together with the Borrower, the "Credit Parties"), as amended by a First Amendment to Loan Agreement dated July 6, 2022 (as the same may have been further amended, restated, supplemented or replaced from time to time, the "Loan Agreement")

Reference is made to the Loan Agreement, and capitalized terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreement.

We write to confirm that the Borrower is in breach of the terms of the Loan Agreement by i) failing to submit the Projection used to determine compliance with the financial covenants as required pursuant to Section 4.1 (c) (Reports and Information) of the Loan Agreement for the Credit Parties' third quarter reporting and ii) failing to maintain the required Cash Coverage Ratio of not less than 2.50:1.00 required pursuant to Section 5.1 (b) of the Loan Agreement for the Credit Parties' third quarter reporting (collectively, the "Existing Defaults").

The Existing Defaults constitute Events of Default under the Loan Agreement. As a result of the Existing Defaults, the Lender has the right to pursue its rights and remedies against the Credit Parties, including, without limitation, to enforce its rights against the Security granted in favour of the Lender.

Notwithstanding the foregoing, the Lender has chosen not to enforce its rights and remedies as a result of the Existing Defaults, at this time. Please be advised that the decision to not to enforce the Lender's rights and remedies at this time shall in no way constitute a waiver of the Existing Defaults or any additional or subsequent Events of Default under the Loan Agreement or otherwise. The Lender hereby expressly reserves any and all of its rights and remedies under the Loan Agreement and related security and any and all documents and agreements ancillary thereto.

Should you have any questions with respect to the foregoing, please feel free to contact the undersigned.

Yours Truly,

**Waygar Capital Inc., as Agent for
Ninepoint Canadian Senior Debt Master Fund L.P.**

Per: 


Name: James Bruce

Title: Vice President

51235773.1



This is Exhibit "N" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

The Very Good Food Company Inc.
800 - 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Indebtedness of The Very Good Food Company Inc. (the "Debtor") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar"), as guaranteed by each of 1218169 B.C. Ltd., 1218158 B.C. Ltd., The Very Good Butchers Inc., The Cultured Nut Inc., Lloyd-James Marketing Group Inc. and VGFC Holdings LLC

We are the lawyers for Waygar in connection with its lending arrangements with the Debtor.

The Debtor is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

All Credit Facilities are due on demand.

Certain Events of Default have occurred under the Credit Agreement, including, without limitation a breach of the Cash Coverage Ratio required to be maintained, and the amount borrowed thereunder exceeding the amount permitted by the Borrowing Base calculation. Accordingly, on

behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68**, together with accruing interest and any and all costs and expenses (including, without limitation, any additional legal and other professional fees) incurred by Waygar (collectively, the "**Indebtedness**"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Credit Agreement and any other agreement, as applicable.

The Indebtedness and other obligations of the Debtor under the Credit Agreement are secured by, *inter alia*, a general security agreement granted by the Debtor dated June 7, 2021, which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings.

In addition, Waygar reserves the right to increase the interest rate payable under the Credit Agreement by 5%, pursuant to the terms thereof, retroactive to the date of the occurrence of the Events of Default.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, the commencement of legal proceedings against you in the Ontario Superior Court of Justice, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we also enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client

AIRD BERLIS



NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))
 Delivered By Email

TO: **The Very Good Food Company Inc.**
 800 - 885 West Georgia Street
 Vancouver, BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (“**Waygar**”), a secured creditor, intends to enforce its security on the property, assets and undertakings of The Very Good Food Company Inc. (the “**Debtor**”), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the “**Security**”), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor’s property, assets and undertakings.
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar’s legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT
 MASTER FUND L.P.**
 by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

51663961.3





Aaron Collins
 Direct: 416.865.3412
 E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

1218158 B.C. Ltd.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear **Ms. Salem and Mr. Patel:**

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

1218158 B.C. Ltd. ("**158**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of 158 under the Guarantee are secured by, *inter alia*, a general security agreement granted by 158 dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of 158's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of 158, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client

AIRD BERLIS



NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: **1218158 B.C. Ltd.**
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 1218158 B.C. Ltd. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.





Aaron Collins
 Direct: 416.865.3412
 E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

1218169 B.C. Ltd.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

1218169 B.C. Ltd. ("**169**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of 169 under the Guarantee are secured by, *inter alia*, a general security agreement granted by 169 dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of 169's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of 169, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client

AIRD BERLIS



NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: **1218169 B.C. Ltd.**
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 1218169 B.C. Ltd. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

51663962.3





Aaron Collins
 Direct: 416.865.3412
 E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

The Cultured Nut Inc.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

The Cultured Nut Inc. ("**CNI**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

AK

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of CNI under the Guarantee are secured by, *inter alia*, a general security agreement granted by CNI dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of CNI's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of CNI, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client

AIRD BERLIS



NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: **The Cultured Nut Inc.**
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of The Cultured Nut Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.





Aaron Collins
 Direct: 416.865.3412
 E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

The Very Good Butchers Inc.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

The Very Good Butchers Inc. ("**VGB**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of VGB under the Guarantee are secured by, *inter alia*, a general security agreement granted by VGB dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of VGB's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of VGB, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: Rachel Silber, *Aird & Berlis LLP*
Client

AIRD BERLIS



NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: The Very Good Butchers Inc.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of The Very Good Butchers Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

51664995.2





Aaron Collins
 Direct: 416.865.3412
 E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

Lloyd-James Marketing Group Inc.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

Lloyd-James Marketing Group Inc. ("**Marketing**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of Marketing under the Guarantee are secured by, *inter alia*, a general security agreement granted by Marketing dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of Marketing's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of Marketing, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client

AIRD BERLIS



**NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))**

Delivered By Email

TO: **Lloyd-James Marketing Group Inc.**
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Lloyd-James Marketing Group Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
181 Bay Street, Box 754
Toronto, ON M5J 2T9
Tel: 416-863-1500
Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.





Exhibit "N7"

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

VGFC Holdings LLC
2748 Rupert Street
Vancouver, BC V5M 3T7

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

VGFC Holdings LLC ("**Holdings**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68



Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of Holdings under the Guarantee are secured by, *inter alia*, a general security agreement granted by Holdings dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of Holdings' property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of Holdings, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client

AIRD BERLIS



NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: **VGFC Holdings LLC**
 2748 Rupert Street
 Vancouver, BC V5M 3T7
insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of VGFC Holdings LLC (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

51665293.2



This is Exhibit "O" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



Exhibit "O1"

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

THE VERY GOOD FOOD COMPANY INC.

By: Pratik Patel
Name: Pratik Patel
Title: CFO

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

1218158 B.C. LTD.

By: Pratik Patel
Name: Pratik Patel
Title: CFO

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

1218169 B.C. LTD.

By: Pratik Patel
Name: Pratik Patel
Title: CFO

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 09 day of January, 2023.

THE CULTURED NUT INC.

By: Pratik Patel
Name: Pratik Patel
Title: CFO



Exhibit "O5"

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

THE VERY GOOD BUTCHERS INC.

By: Pratik Patel
Name: Pratik Patel
Title: CFO

Exhibit "O6"

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

**LLOYD-JAMES MARKETING GROUP
INC.**

By: Pratik Patel
Name: Pratik Patel
Title: CFO

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

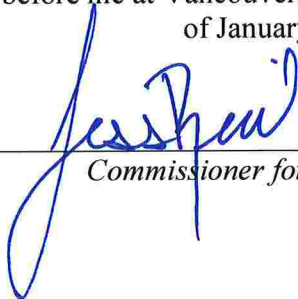
THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

VGFC HOLDINGS LLC

By: Pratik Patel
Name: Pratik Patel
Title: CFO

This is Exhibit "P" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



The Very Good Food Company Announces Receipt of Notice of Default, Update on Reef Capital Transaction, Receipt of Non-Compliance and Decision Letters from Nasdaq and Board Resignations

Vancouver, British Columbia--(Newsfile Corp. - January 11, 2023) - The Very Good Food Company Inc. (NASDAQ: VGFC) (TSXV: VERY) (FSE: OSI) ("**VERY GOOD**" or the "**Company**") announces that **the Company's secured lender intends to apply for the appointment of a receiver for the Company.**

Notice of Default

On January 6, 2023, the Company has received a letter from Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**") pursuant to which Waygar has alleged that certain events of default have occurred under the loan agreement between Waygar and the Company dated June 7, 2021 (the "**Credit Agreement**"), including, without limitation a breach of the Cash Coverage Ratio required to be maintained, and the amount borrowed thereunder exceeding the amount permitted by the Borrowing Base calculation (as defined in the Credit Agreement) (see press release on November 30, 2022) and Waygar has requested full payment of the amount owed under the Credit Agreement, being \$8,113,003.68 in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees). Further, Waygar has delivered a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). Waygar has reserved its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Update regarding Reef Capital Transaction

The Company was not able to close the proposed transaction with Reef Capital Inc., first announced on December 22, 2022. As previously disclosed, without securing alternative financing by December 31, 2022, the Company would not be able to continue as a going concern.

Nasdaq Non-Compliance Letter

We have received a notification letter (the "**Meeting Notification**") from The Nasdaq Stock Market LLC ("**Nasdaq**") on January 5, 2023, that the Company no longer satisfies Nasdaq Listing Rule 5620(a) because it failed to hold its annual shareholders meeting within twelve months of the Company's fiscal year ended December 31, 2021. However, we will be holding our next annual general meeting on February 27, 2023.

The Notifications has no immediate effect on the listing of the common shares of the Company, which will continue to trade on the Nasdaq Capital Market under the symbol "VGFC".

Nasdaq Qualification Hearing Decision

Background

On January 11, 2022, Nasdaq notified the Company that it no longer complied with the minimum bid price requirement under Listing Rule 5450(a)(1). On November 15, 2022, Staff notified the Company that it had determined to delist the Company as its security had a closing bid price of \$0.10 or less for at least ten consecutive trading days and informed the

Company that, unless it requested an appeal from its delist determination, the Company's shares would be suspended and scheduled for delisting. On November 17, 2022, the Company requested a hearing, which was held on December 15, 2022.

Decision

On January 10, 2023, Nasdaq notified the Company that the Company's request for continued listing on Nasdaq, subject to the following:

1. On February 27, 2023, the Company shall provide confirmation to Nasdaq that they have received approval for a reverse stock split; and
2. On April 17, 2023, the Company shall have demonstrated compliance with Listing Rule 5450(a)(1), by evidencing a closing bid price of \$1 or more per share for twenty (20) consecutive trading sessions.

Nasdaq reserves the right to reconsider the terms of this exception based on any event, condition or circumstance that exists or develops that would, in the opinion of Nasdaq, make continued listing of the Company's securities on Nasdaq inadvisable or unwarranted.

Resignations of Directors

Dela Salem and Justin Steinbach have resigned from the Company's board of directors effective January 5, 2023. The Company has Parimal Rana as its only director and is currently looking for replacements.

As a result, on January 9, 2023, trading of the Company's common shares have been halted on the TSXV for failure to maintain exchange requirements.

About The Very Good Food Company Inc.

The Very Good Food Company Inc. is a plant-based food technology company that produces nutritious and delicious plant-based meat and cheese products under VERY GOOD's core brands: The Very Good Butchers and The Very Good Cheese Co. www.verygoodfood.com (<https://www.newsfilecorp.com/redirect/vRkRruNLRR?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVWVhLVZlcnkR29vZC1Gb29kLUNvbXBhbntktSW5jLg==>).

ON BEHALF OF THE VERY GOOD FOOD COMPANY INC.

Parimal Rana

Chief Executive Officer

Phone: 855 472-9841

Email: parimal.rana@verygoodbutchers.com (<mailto:parimal.rana@verygoodbutchers.com>)

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws in Canada and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, including Section 21E of the Securities Exchange Act of 1934, as amended (collectively referred to as "forward-looking information"), for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Forward-looking information may be identified by words such as "plans", "proposed", "expects", "anticipates", "intends", "estimates", "may", "will", and similar expressions. These forward-looking statements include, without limitation, the Company's ability to appoint new directors, comply with Nasdaq requirements or find financing alternatives. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because VERY GOOD can give no assurance that such expectations will prove to be correct. Risks and uncertainties that could cause actual results, performance or achievements of VERY GOOD to differ materially from those expressed or implied in such forward-looking information. For a more

comprehensive discussion of the risks faced by VERY GOOD, please refer to VERY GOOD's most recent Annual Information Form filed with Canadian securities regulatory authorities at www.sedar.com (<https://www.newsfilecorp.com/redirect/JZaZvtaXPJ?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhlLVZlcnkR29vZC1Gb29kLUNvbXBhbntSW5jLg==>) and as an exhibit to the Form 20-F filed with the SEC on May 26, 2022 and available at www.sec.gov (<https://www.newsfilecorp.com/redirect/GOaOGtxqDz?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhlLVZlcnkR29vZC1Gb29kLUNvbXBhbntSW5jLg==>). The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available. Any forward-looking information speaks only as of the date of this news release. VERY GOOD undertakes no obligation to publicly update or revise any forward-looking information whether because of new information, future events or otherwise, except as otherwise required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

None of the Nasdaq Stock Market LLC, TSX Venture Exchange, the SEC or any other securities regulator has either approved or disapproved the contents of this news release.

None of the Nasdaq, the TSX Venture Exchange or its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), the SEC or any other securities regulator accepts responsibility for the adequacy or accuracy of this news release.

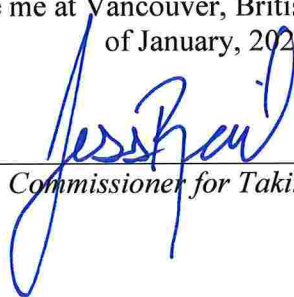


To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/151058>

(<https://www.newsfilecorp.com/redirect/Qrarglz0RG?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhlLVZlcnkR29vZC1Gb29kLUNvbXBhbntSW5jLg==>)

(<https://www.newsfilecorp.com/redirect/Qrarglz0RG?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhlLVZlcnkR29vZC1Gb29kLUNvbXBhbntSW5jLg==>)

This is Exhibit "Q" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.



Commissioner for Taking Affidavits



BDO Canada Limited
1055 West Georgia St, Suite 1100
Vancouver BC V6E 3P3

Attention : Jervis C. Rodrigues

November 29, 2022

Dear Mr. Rodrigues:

RE: The Very Good Food Company Inc. (the "Company")

Background

The Company is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. The Company is based in Vancouver, British Columbia.

The purpose of this letter is to confirm the terms upon which Waygar Capital (the "Lender") has engaged BDO Canada Limited ("BDO") as its financial advisor.

Scope of Engagement

BDO has been retained by the Lender to provide the following financial and other advisory services in respect of the Company:

- Review the financial and business affairs of the Company;
- Review the reasonableness of the budgets, financial statement projections, any existing and future business plans, strategic plans and initiatives and other information provided by the Company to the Lender, including a review and consideration of the nature and reasonableness of the assumptions in those plans underlying the future business prospects of the Company;
- Review the Company's cash flow requirements on a 13 week and long-term basis;
- Review the Company's current financial position including, but not limited to, an analysis of the Company's contracts, assets, liabilities, contingent liabilities and future obligations;
- Review pending litigation or claims against the Company;
- Review and analyze the Lender's security position;
- Provide recommendations with respect to restructuring and other alternatives available to the Lender and the Company; and
- Such other advice, reports and general financial advisory services as may be agreed upon by the Lender and BDO from time to time.

The Lender may at any time instruct BDO to cease its review and/or not to report on any of the above noted matters.

Reporting

BDO shall report directly to the Lender in writing or as otherwise requested in writing by the Lender.

Absent prior written consent letter from the Lender: (i) all reports issued by BDO may be issued solely to the Lender; and (ii) the Company may not be provided with access to any information or recommendations provided by BDO to the Lender.

Consent of Debtor

As outlined in this letter, the Company has consented to BDO's engagement by the Lender and will provide, among other things, the full cooperation of management.

Staffing

This engagement will be under the direction of Jervis Rodrigues, who will maintain overall responsibility for the engagement on behalf of BDO. BDO is authorized to use any of its employees or outside agents as BDO considers necessary in the investigation of the affairs of the Company.

The members of the engagement team may be drawn from the resources of BDO and those of its affiliated and related partnerships and corporations, including those of other BDO member firms in countries outside of Canada, as deemed appropriate, during the conduct of this engagement.

Fees/Remuneration

The Lender agrees that BDO's fees for this engagement will be based upon hours spent by those individuals assigned to this matter plus GST and expenses, including, but not limited to, travel, meals, accommodations, long-distance telecommunications, photocopying, delivery, postage, and/or third-party clerical assistance.

The hourly rates for this engagement are as follows:

Partners	\$600 per hour
Senior Managers / Vice Presidents	\$475 per hour
Managers	\$350 per hour
Analysts/Consultants/Seniors	\$150 - \$250 per hour

In addition to all reasonable out of pocket expenses, an administration fee of 4% of the actual fees, will be added to BDO invoices.

The Lender shall be responsible for payment of BDO's invoice(s) to the Lender pursuant to this Engagement when due.

Other Matters

The Lender acknowledges that:

1. it will independently assess the carrying value and loan provision to be applied to the relevant debt;
2. it will not rely on the BDO's work product as the sole or principal basis for that assessment;
3. BDO is only providing advice in connection with this engagement. BDO will not exercise any managerial or administrative authority, direction or control over the businesses or affairs of the Company, interfere with the conduct of the Company's business, sign cheques or otherwise take part in the management of the Company's affairs; and,
4. BDO's review will be based mainly on information supplied by the Company and the Lender and supplemented by discussions with management. The Lender understands that, although all information gathered will be reviewed for reasonableness, BDO will not be conducting an audit as part of this engagement. Therefore, BDO's work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or their officers and employees.


This engagement will not prohibit BDO from acting as Receiver, Receiver-Manager, Trustee in bankruptcy or Monitor under the Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act or any provincial legislation with respect to the Company or its subsidiaries.

BDO's acceptance of this appointment is conditional on obtaining the Company's consent to the appointment substantially in the form of consent attached hereto.

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

Yours very truly,

Waygar Capital



Per: _____

Name: James Bruce

I have the authority to bind the Company

BDO Canada Limited

Per:  December 5, 2022

Name: Jervis Rodrigues

I have the authority to bind the Company



Consent on Behalf of The Very Good Food Company Inc. (the "Company"). On behalf of the Company, I acknowledge the contents of this engagement letter and agree to work with BDO Canada Limited as Financial Advisor.

The Very Good Food Company Inc.

Per: Pratik Patel

Name: Pratik Patel
I have the authority to bind the Company

This is the 1st affidavit of James
Bruce in this case and was made
on January 13, 2023

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

**WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.**

PETITIONER

AND

**THE VERY GOOD FOOD COMPANY INC., 1218158 B.C. LTD., 1218169
B.C. LTD., THE CULTURED NUT INC., THE VERY GOOD BUTCHERS INC.,
LLOYD-JAMES MARKETING GROUP INC., and VGFC HOLDINGS LLC**

RESPONDENTS

AFFIDAVIT

I, **JAMES BRUCE**, businessperson, of 25 King Street West, Suite 1700, Toronto, Ontario, **AFFIRM THAT:**

1. I am a Vice President, Portfolio of Waygar Capital Inc. ("**Waygar**"). Waygar, as Agent for Ninepoint Canadian Senior Debt Master Fund L.P., is a secured creditor of each of The Very Good Food Company Inc. (the "**Borrower**") and 1218158 B.C. Ltd. ("**158**"), 1218169 B.C. Ltd. ("**169**"), The Cultured Nut Inc. ("**CNI**"), The Very Good Butchers Inc. ("**VGB**"), Lloyd-James Marketing Group Inc. ("**LJMG**"), and VGFC Holdings LLC ("**VGFC**", and together with 158, 169, CNI, VGB,



and LJMG, the “**Corporate Guarantors**”, and together with the Borrower, the “**Debtors**”), the respondents herein, and I am responsible for management of the Debtors’ accounts and credit facilities. As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

PURPOSE

2. The Debtors entered into a loan arrangement (as amended and restated) with Waygar, as more particularly described below, pursuant to which Waygar extended certain loans and other accommodations to the Borrower.

3. The Debtors have defaulted under the terms of this loan arrangement, and Waygar now wishes to enforce on its security as described below and the contractual consents to do so executed by the Debtors in favour of Waygar, as described below.

4. I am swearing this Affidavit in support of an application by Waygar for an order (the “**Receivership Order**”), amongst other things,

(a) appointing BDO Canada Limited (“**BDO**”) as receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of the each of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the “**Property**”); and

(b) approving the sales and investment solicitation process as more particularly described in the pre-filing report of BDO, dated January 12, 2023 (the “**Pre-Filing Report**”) and below.



DESCRIPTION OF THE DEBTORS AND THEIR BUSINESS

5. The Borrower is a duly incorporated company that is publicly traded on the TSXV, NASDAQ and FSE:OSI. The Borrower is a plant-based food technology company that produces plant-based food products sold wholesale to retailers across Canada and the United States, and has approximately 71 employees. Each of the Corporate Guarantors, with the exception of VGFC, is a duly incorporated private corporation based in Vancouver, British Columbia. VGFC is a duly incorporated limited liability company based in Delaware, USA. VGFC employs approximately 10 people. The Debtors' corporate profile reports are collectively attached and marked as **Exhibits "A1 - A7"** to this Affidavit.

6. The Borrower operates business under the following brands: The Very Good Food Co., The Very Good Butchers, and The Very Good Cheese Co.

7. Each of the Corporate Guarantors is a direct or indirect subsidiary of the Borrower. The Borrower directly or indirectly owns all of the shares of each of the Corporate Guarantors. The Debtors' organizational chart is attached and marked as **Exhibit "B"** to this Affidavit.

8. Waygar has limited visibility at this time into the operations of the Corporate Guarantors. However, it is believed that the Corporate Guarantors may provide one or more of sales and marketing services, hold specific equipment, hold intellectual property, or may be simply holding companies with no operations. Given that each of the Corporate Guarantors could have marketable assets and operate collectively, I believe that a receivership over all of the Debtors would be the most prudent course of action; particularly given that the intention is to market these assets as a going concern operation.



WAYGAR'S LOANS TO THE BORROWER AND RELATED SECURITY

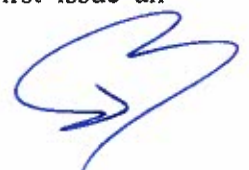
9. The Borrower is indebted directly to Waygar in connection with certain credit loans made available by Waygar to the Borrower pursuant to and under the terms of a credit agreement dated June 7, 2021, as amended by a first amendment agreement on July 6, 2022 (and as may be further amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**"), a copy of which is attached and marked as **Exhibit "C"** to this Affidavit.

10. As security for its obligations to Waygar, including, without limitation, its obligations under the Credit Agreement, the Borrower provided certain security in favour of Waygar (the "**Borrower's Security**"), including, without limitation, the general security agreement dated June 7, 2021 (the "**Borrower GSA**"), attached and marked as **Exhibit "D"** to this Affidavit, registration in respect of which was duly made pursuant to the *Personal Property Security Act* (British Columbia) (the "**PPSA**"). The Borrower GSA includes, *inter alia*,

- (a) a pledge of the shares the Borrower holds in 169, 158, VGB, CNI, LJMG and VGFC; and
- (b) security over the intellectual property of the Borrower.

11. A Notice of Security Interest in Intellectual Property, provided to Waygar by the Borrower, dated June 7, 2021, is attached and marked as **Exhibit "E"** to this Affidavit.

12. The Borrower and Waygar, together with Royal Bank of Canada ("**RBC**"), are also parties to a springing blocked account agreement dated September 12, 2022 (the "**Blocked Account Agreement**"), pursuant to which the Borrower has granted a security interest in its accounts maintained at RBC in favour of Waygar as security. Under the terms of the Blocked Account Agreement, in order to establish full dominion on the accounts, Waygar must first issue an



activation notice to RBC, which notice would be delivered upon the occurrence of an event of default under the Credit Agreement (the “**Activation Notice**”). Waygar delivered the Activation Notice on September 23, 2022. The Blocked Account Agreement, including the Activation Notice, is attached and marked as **Exhibit “F”** in this Affidavit

13. The Borrower’s obligations to Waygar have been guaranteed by each of the Corporate Guarantors pursuant to and under the terms of unlimited guarantee agreements, each dated June 7, 2021 (the “**Corporate Guarantees**”), a copy of each is collectively attached and marked as **Exhibits “G1 - G6”** to this Affidavit.

14. As security for their obligations to Waygar under the Corporate Guarantees, the Corporate Guarantors provided security in favour of Waygar (the “**Corporate Guarantors’ Security**” and together with the Borrower’s Security, the “**Security**”), including, without limitation, the general security agreements, each dated June 7, 2021, collectively attached and marked as **Exhibits “H1 - H6”** to this Affidavit, registration in respect of each was duly made pursuant to the PPSA.

THE OTHER SECURED CREDITORS

15. A copy of the PPSA search results for the Borrower with currency to January 10, 2023, is attached and marked as **Exhibit “I”** to this Affidavit. These search results show that, in addition to Waygar’s registration, each of Reiser (Canada) Co. (“**Reiser**”), RBC, Modern Forklift Services Ltd. (“**MFS**”), Ford Credit Canada Leasing (Division of Canadian Road Leasing Company) (“**Ford**”) and C.T. Control Temp Ltd. (“**CT**”) has made one or more registration under the PPSA against the Borrower.

16. The PPSA registrations made in favour of Reiser, MFS, Ford and CT all pertain to specific pieces of equipment or vehicles. Additionally, RBC’s registrations are, to my knowledge, solely



with respect to a cash collateral confirmation agreement to the extent of \$100,000.00 for credit cards.

17. Copies of the Uniform Commercial Code (the "UCC") search results for the Borrower in Delaware, the District of Columbia and California, each with currency to December 1, 2022 are collectively attached and marked as **Exhibits "J1-J3"**. These search results show that, other than Waygar's registration, no other party has made any registrations under the UCC against the Borrower.

18. Copies of the PPSA search results for each of the Corporate Guarantors with currency to January 11, 2023, are collectively attached and marked as **Exhibits "K1 - K6"** to this Affidavit. Waygar is the only party to have a PPSA registration against 169, 158, VGB and LJMG.

19. Waygar is one of two parties with PPSA registrations against CNI and VGFC. With respect to CNI, Bodkin (a Division of Bennington Financial Corp.) has a PPSA registration dated prior to Waygar's, however, this registration only pertains to certain leased equipment. With respect to VGFC, Reiser has a PPSA registration pertaining to specific equipment, and which was made subsequent to Waygar's registration.

20. A copy of the UCC search results for VGFC in Delaware with currency to December 1, 2022 is attached and marked as **Exhibit "L"**. This search result shows that, in addition to Waygar's registration, Robert Reiser and Company has made multiple registrations under the UCC against VGFC.

DEFAULT, DEMAND AND DIFFICULTIES

21. Multiple defaults occurred under the Credit Agreement.



22. On November 29, 2022, Waygar sent to the Borrower a letter of default and reservation of rights (the “**Default Letter**”), noting that the Borrower had breached the terms of the Credit Agreement by

- (a) failing to submit the projection used to determine compliance with the financial covenants for the third quarter reporting; and
- (b) failing to maintain the required Cash Coverage Ratio (as defined in the Credit Agreement).

23. The Default Letter also stated that notwithstanding Waygar’s right to enforce its rights and remedies against the Debtors, including, without limitation, the right to enforce on its security, Waygar had chosen not to enforce such rights and remedies at that time so as to give the Debtors an opportunity to remedy the defaults. A copy of the Default Letter is attached and marked as **Exhibit “M”** to this Affidavit.

24. The Debtors failed to remedy the defaults and, as at January 6, 2023, the following amounts were owing for principal, interest and fees pursuant to the Credit Agreement, totalling \$8,113,003.68 (the “**Indebtedness**”):

- (a) \$4,359,042.79 in respect of principal and interest for a revolver facility;
- (b) \$3,001,057.56 in respect of principal and interest for a term facility;
- (c) \$735,105.00 in respect of facility fees; and
- (d) \$17,798.33 in respect of legal fees and expenses.

25. Following the various defaults under the Credit Agreement, Waygar made formal written demand on each of the Debtors for payment of the Indebtedness to Waygar by letters dated January



6, 2023 (the “**Demand Letters**”). A Notice of Intention to Enforce Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), accompanied each of the Demand Letters (each a “**BIA Notice**” and collectively, the “**BIA Notices**”). Copies of the Demand Letters and the BIA Notices are collectively attached and marked as **Exhibits “N1 - N7”** to this Affidavit.

26. In addition to the BIA Notices, a waiver and consent (the “**Waivers**”) also accompanied each of the Demand Letters, copies of which are collectively attached and marked as **Exhibits “O1 – O7”** to this Affidavit. The Waivers, dated and executed by the Debtors on January 9, 2023, confirmed that each of the Debtors:

- (a) acknowledges, confirms and agrees to and in favour of Waygar, that they are in default of their obligations owing to Waygar and that they have received the respective BIA Notice;
- (b) expressly, voluntarily and unconditionally waives the ten day notice period referred to in the respective BIA Notice; and
- (c) consents to the immediate enforcement of any and all of the security executed and delivered to them in favour of Waygar, without further notice.

27. The ten day notice required under the BIA Notices has been waived and each of the Debtors has consented to the immediate enforcement of security in favour of Waygar. Accordingly, Waygar is now entitled to appoint a receiver.

28. In addition, I am advised by the Borrower that financial performance has degraded and the business is not able to continue without a liquidity event or significant restructuring of the



Borrower's affairs. I also understand that in the months leading up to the Demand Letters being delivered, the Borrower took steps to run a sale and investment process in order to find additional capital, or a willing buyer, and that those efforts have not been successful. In discussions with BDO, it is likely some of the parties the Borrower was in discussions with are awaiting the appointment of a receiver and they are expected to re-engage with BDO once the SISP is underway.

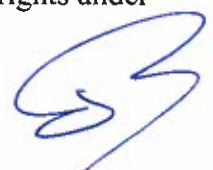
29. Lastly, the Borrower issued a press release on January 11, 2023 (the "Press Release") in respect of, *inter alia*, Waygar issuing a BIA Notice to the Borrower, Waygar's intention to appoint a receiver over the Borrower, the trading of the Borrower's common shares on the TSXV has halted as the Borrower no longer meets the TSXV's board of director requirements, and that the Borrower has received confirmation from The Nasdaq Stock Market LLC that the Borrower's common shares will not be delisted on the NASDAQ if the Borrower is able to meet certain conditions. A download of the Press Release obtained from the website www.newsfilecorp.com on January 11, 2023 is attached and marked as **Exhibit "P"** to this Affidavit.

APPOINTMENT OF A RECEIVER

30. As of the time of swearing this Affidavit, the Debtors have continued to fail to make payment in accordance with the Demand Letters, make alternative arrangements acceptable to Waygar or initiate any filings under the BIA.

31. At this stage, Waygar wishes to take any and all steps necessary to enforce its Security and realize on same.

32. Waygar considers it reasonable and prudent to begin enforcing on the Security in an effort to recover the Indebtedness owed by the Debtors to Waygar, and it is within Waygar's rights under



the Credit Agreement and the Security to do so. Further, the Debtors have contractually consented to the enforcement of the Security pursuant to the Waivers.

33. In the circumstances set out above, I believe that it is just and equitable that a receiver be appointed. A receiver is necessary for the protection of the estates of each of the Debtors, the interests of Waygar and, perhaps, other stakeholders. Waygar believes that the appointment of a receiver would enhance the prospect of recovery by Waygar and protect all stakeholders.

34. Additionally, as more fully described in the Pre-Filing Report, Waygar intends to fund the receivership process by extending the existing loan facilities under the Credit Agreement. All advances to BDO from Waygar will be documented through the receiver's certificates appended as Schedule "A" to the Receivership Order. In accordance with the Receivership Order, all advances to BDO from Waygar will be part of the principal sum of money from which BDO will be authorized to borrow (the Receiver's Borrowing Charge, as defined in the Receivership Order).

35. Waygar proposes that BDO be appointed as the Receiver.

36. BDO is a licensed insolvency trustee and was previously engaged by Waygar by way of an engagement letter dated November 29, 2022 (the "**Engagement Letter**") to act as Waygar's financial advisor in respect of the Borrower. In this role, BDO reviewed, *inter alia*, the Borrower's financial position, budget, financial projections, cash flow requirements and strategic business plans. In light of the foregoing, BDO has significant institutional knowledge of the Debtors, their business and operations, and is well-positioned to act as the Receiver. A copy of the Engagement Letter is attached and marked as **Exhibit "Q"** to this Affidavit.

37. BDO has consented to act as receiver should the Court so appoint it.



APPROVAL OF THE SISP

38. Waygar seeks approval of the SISP, as more fully described in the Pre-Filing Report, in order to begin the process of marketing the Debtors as a going concern. This will reduce costs because, *inter alia*,

- (a) the key details concerning the underlying structure, including the target dates, of the SISP have already been formulated by BDO; and
- (b) the need to return to court to approve the SISP, or a similar process, would be eliminated.

39. Moreover, the status quo of court-monitored sales processes would be upheld. Given that the market could react negatively to the receivership if proceedings were carried on for an extended amount of time, more value would likely be attributed to the Property with the expeditious approval of the SISP.

40. Given the recent Press Release which highlighted, *inter alia*, the Borrower's defaults under the Credit Agreement, approval of the proposed SISP would also avoid any possibility that suppliers and other stakeholders would attempt to repudiate their contracts or dealings with the Debtors, which would likely result in a significant decrease to the going concern value of the Property.

41. This Affidavit is made in support of the within application, and for no other or improper purpose whatsoever.




50. I am swearing this affidavit using video technology, outside the commissioner’s physical presence, in accordance with the process outlined in the Supreme Court of British Columbia’s March 27, 2020 Notice to the Profession, the Public and Media entitled “Affidavits for Use in Court Proceedings” (COVID-19 Notice No. 2).

SWORN before me at the City of)
Toronto, in the Province of Ontario, this)
13th day of January, 2023.)
)

The deponent was not physically present)
before me but was linked with me using)
video technology. I followed the process)
described in the Supreme Court of British)
Columbia’s March 27, 2020 Notice to the)
Profession, the Public and the Media)
entitled “Affidavits for Use in Court)
Proceedings” (COVID-19 Notice No. 2))
and complied with the Law Society of)
British Columbia best practices for using)
videoconferencing when providing legal)
advice or services.)
)
)
)

_____)
A Commissioner for Oaths in and for the)
Province of British Columbia)



JAMES BRUCE

This is Exhibit "A" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
THE VERY GOOD FOOD COMPANY INC.

Date and Time of Search: January 11, 2023 12:33 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1101780

Name of Company: THE VERY GOOD FOOD COMPANY INC.

Business Number: 735993321 BC0001

Recognition Date and Time: Incorporated on December 27, 2016 12:40 PM Pacific Time
In Liquidation: No

Last Annual Report Filed: December 27, 2021
Receiver: No

COMPANY NAME INFORMATION

Previous Company Name

THE VERY GOOD BUTCHERS INC.

Date of Company Name Change

October 01, 2019

REGISTERED OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Rana, Parimal

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Last Name, First Name, Middle Name:

Salem, Dela

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Last Name, First Name, Middle Name:

Steinbach, Justin

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT December 27, 2021.





BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
1218158 B.C. LTD.

Date and Time of Search: January 11, 2023 12:37 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1218158

Name of Company: 1218158 B.C. LTD.

Business Number: 778199539 BC0001

Recognition Date and Time: Incorporated on July 31, 2019 11:24 AM Pacific Time

In Liquidation: No

Last Annual Report Filed: July 31, 2022

Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Salem, Dela

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT July 31, 2022.



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
1218169 B.C. LTD.

Date and Time of Search: January 11, 2023 12:36 PM Pacific Time
Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1218169
Name of Company: 1218169 B.C. LTD.
Business Number: 778191734 BC0001
Recognition Date and Time: Incorporated on July 31, 2019 11:46 AM Pacific Time
Last Annual Report Filed: July 31, 2022
In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA
Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA
Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Salem, Dela

Mailing Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA
Delivery Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT July 31, 2022.



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
THE CULTURED NUT INC.

Date and Time of Search: January 11, 2023 12:41 PM Pacific Time

Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1105558

Name of Company: THE CULTURED NUT INC.

Business Number: 731744090 BC0001

Recognition Date and Time: Incorporated on January 30, 2017 02:47 PM Pacific Time **In Liquidation:** No

Last Annual Report Filed: January 30, 2022 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Salem, Dela

Mailing Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:

2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT January 30, 2022.



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
THE VERY GOOD BUTCHERS INC.

Date and Time of Search: January 11, 2023 12:39 PM Pacific Time
Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1218151
Name of Company: THE VERY GOOD BUTCHERS INC.
Business Number: 778969071 BC0001
Recognition Date and Time: Incorporated on July 31, 2019 11:14 AM Pacific Time **In Liquidation:** No
Last Annual Report Filed: July 31, 2022 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name **Date of Company Name Change**
1218151 B.C. LTD. October 01, 2019

REGISTERED OFFICE INFORMATION

Mailing Address: **Delivery Address:**
800 - 885 WEST GEORGIA STREET 800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1 VANCOUVER BC V6C 3H1
CANADA CANADA

RECORDS OFFICE INFORMATION

Mailing Address: **Delivery Address:**
800 - 885 WEST GEORGIA STREET 800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1 VANCOUVER BC V6C 3H1
CANADA CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Salem, Dela

Mailing Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

Delivery Address:
2748 RUPERT STREET
VANCOUVER BC V5M 3T7
CANADA

NO OFFICER INFORMATION FILED AS AT July 31, 2022.

A handwritten signature or mark in blue ink, consisting of a stylized, cursive-like shape.



Mailing Address: PO Box 9431 Stn Prov Govt Victoria BC V8W 9V3 www.corporateonline.gov.bc.ca

Location: 2nd Floor - 940 Blanshard Street Victoria BC 1 877 526-1526

BC Company Summary For LLOYD-JAMES MARKETING GROUP INC.

Date and Time of Search: January 11, 2023 12:43 PM Pacific Time Currency Date: September 16, 2022

ACTIVE

Incorporation Number: BC1241039 Name of Company: LLOYD-JAMES MARKETING GROUP INC. Business Number: 746244938 BC0001 Recognition Date and Time: Incorporated on February 17, 2020 10:39 AM Pacific Time In Liquidation: No Last Annual Report Filed: February 17, 2022 Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

Delivery Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

Delivery Address: 800 - 885 WEST GEORGIA STREET VANCOUVER BC V6C 3H1 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name: Salem, Dela

Mailing Address: 2748 RUPERT STREET VANCOUVER BC V5M 3T7 CANADA

Delivery Address: 2748 RUPERT STREET VANCOUVER BC V5M 3T7 CANADA



NO OFFICER INFORMATION FILED AS AT February 17, 2022.

Department of State: Division of Corporations

[Allowable Characters](#)

[HOME](#)

Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

File Number: 3196606 **Incorporation Date / Formation Date:** 7/7/2020 (mm/dd/yyyy)

Entity Name: VGFC HOLDINGS LLC

Entity Kind: Limited Liability Company **Entity Type:** General

Residency: Domestic **State:** DELAWARE

REGISTERED AGENT INFORMATION

Name: GKL REGISTERED AGENTS OF DE, INC.

Address: 3500 S DUPONT HWY

City: DOVER **County:** Kent

State: DE **Postal Code:** 19901

Phone: 888-682-4368

Additional information is available for a fee. You can retrieve Status for a fee of \$10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of \$20.00.

Would you like Status Status, Tax & History Information

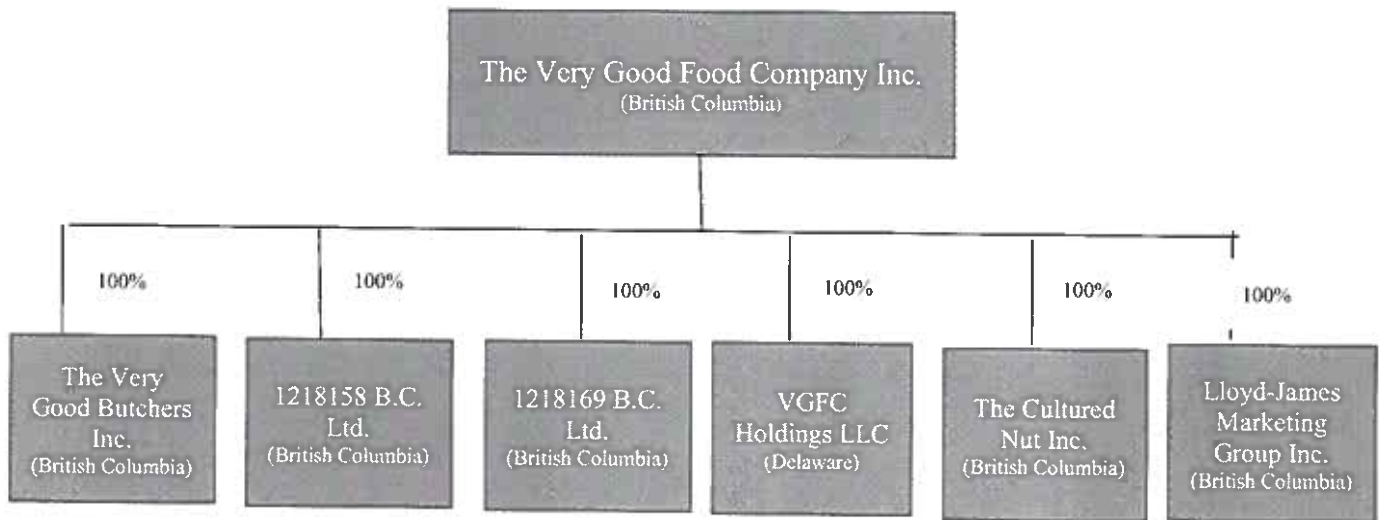
For help on a particular field click on the Field Tag to take you to the help area.

[site map](#) | [privacy](#) | [about this site](#) | [contact us](#) | [translate](#) | [delaware.gov](#)

This is Exhibit "B" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, appearing to be the initials 'JB' or similar, located in the bottom right corner of the page.



This is Exhibit "C" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits





LOAN AGREEMENT

DATED AS OF JUNE 7, 2021

BETWEEN

**WAYGAR CAPITAL INC.,
AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.**

AS LENDER

AND

THE VERY GOOD FOOD COMPANY INC.

AS BORROWER

AND

THE GUARANTORS PARTY HERETO



TABLE OF CONTENTS

SECTION 1 – AMOUNT AND TERMS OF CREDIT	1
1.1 Loans	1
1.2 Term and Prepayment	2
1.3 Use of Proceeds	2
1.4 Obligations	2
1.5 Interest	2
1.6 Cash Management System	3
1.7 Fees	3
1.8 Receipt of Payments	3
1.9 Application and Allocation of Payments	4
1.10 Accounting	4
1.11 Indemnity	4
1.12 Borrowing Base	5
1.13 Increase in Maximum Amount in respect of the Revolving Credit Loan	5
SECTION 2 – CONDITIONS PRECEDENT	5
2.1 Conditions to the Initial Loans	5
2.2 Further Conditions to the Loans	6
2.3 Warrants	7
SECTION 3 – REPRESENTATIONS, WARRANTIES AND AFFIRMATIVE COVENANTS	7
3.1 Corporate Existence; Compliance with Law	7
3.2 Executive Offices; Corporate or Other Names	7
3.3 Corporate Power; Authorization; Enforceable Obligations	8
3.4 Financial Statements and Projections; Books and Records	8
3.5 Material Adverse Change	8
3.6 Real Estate; Property	8
3.7 Ventures, Subsidiaries and Affiliates; Outstanding Shares and Indebtedness	9
3.8 Government Regulations	9
3.9 Taxes; Charges	9
3.10 Payment of Obligations	9
3.11 Pension Plans	9
3.12 Litigation	11
3.13 Intellectual Property	11
3.14 Full Disclosure/Know Your Customer	11
3.15 Environmental Matters	11
3.16 Insurance	12
3.17 Bank Accounts	12
3.18 Accounts and Inventory	12
3.19 Conduct of Business	13
3.20 Material Contracts	13
3.21 Further Assurances	13
3.22 Default	13
3.23 Anti-Corruption; Anti-Money Laundering	13
SECTION 4 – FINANCIAL REPORTS, INFORMATION AND NOTICES	14
4.1 Reports and Information	14
4.2 Notices	15
SECTION 5 – FINANCIAL AND NEGATIVE COVENANTS	16
5.1 Financial Covenants	16
5.2 Negative Covenants	16
SECTION 6 – LENDER'S RIGHTS	19
6.1 Lender's Rights	19

SECTION 7 – EVENTS OF DEFAULT, RIGHTS AND REMEDIES	20
7.1 Events of Default	20
7.2 Remedies	22
7.3 Waivers by Credit Parties	23
7.4 Proceeds	23
SECTION 8 – MISCELLANEOUS	24
8.1 Complete Agreement; Modification of Agreement	24
8.2 Expenses	24
8.3 Non-North American Equipment	24
8.4 No Waiver	24
8.5 Severability; Section Titles	25
8.6 Authorized Signature	25
8.7 Notices	25
8.8 Counterparts	25
8.9 Assignments	26
8.10 Time of the Essence	26
8.11 Governing Law	26
8.12 Submission to Jurisdiction; Waiver of Jury Trial	26
8.13 Press Releases	27
8.14 Reinstatement	27
8.15 Illegality	27
8.16 Set Off and Survival	27
8.17 Increased Costs	27
8.18 Conflict	28
8.19 Interpretation	28
SECTION 9 – SPECIAL PROVISIONS	29
9.1 Interest Act (Canada)	29
9.2 Excess Resulting from Exchange Rate Change	29
9.3 Judgment Currency	29

INDEX OF EXHIBITS AND SCHEDULES

Schedule A:	Definitions
Schedule B:	Lender's and Borrower's Addresses for Notices
Schedule C:	Cash Management System
Schedule D:	Fees
Schedule E:	Schedule of Documents
Schedule F:	Material Contracts
Disclosure Schedule (3.2):	Corporate Names
Disclosure Schedule (3.6):	Real Estate; Property
Disclosure Schedule (3.7):	Shares; Affiliates
Disclosure Schedule (3.9):	Taxes
Disclosure Schedule (3.11):	Pension Plans
Disclosure Schedule (3.12):	Litigation
Disclosure Schedule (3.13):	Intellectual Property
Disclosure Schedule (3.15):	Environmental Matters
Disclosure Schedule (3.16):	Insurance
Disclosure Schedule (5.2(b)):	Indebtedness
Disclosure Schedule (5.2(e)):	Liens
Exhibit A:	Form of Notice of Advance
Exhibit B:	Other Required Reports and Information
Exhibit C:	Form of Borrowing Base Certificate
Exhibit D:	Form of Compliance Certificate



THIS LOAN AGREEMENT is dated as of June 7, 2021 and agreed to by and between The Very Good Food Company Inc. ("**Borrower**"), each other Credit Party executing this Agreement, and Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Lender**").

RECITALS:

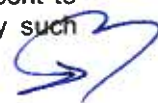
- A. Borrower desires to obtain the Loans and other financial accommodations from Lender and Lender is willing to provide the Loans and accommodations all in accordance with the terms of this Agreement;
- B. Capitalized terms used herein shall have the meanings assigned to them in Schedule A and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Schedule A shall govern; and
- C. All schedules, attachments, addenda and exhibits hereto, or expressly identified in this Agreement, are incorporated herein by reference, and taken together with this Agreement, constitute but a single agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration, the parties hereto agree as follows:

SECTION 1 – AMOUNT AND TERMS OF CREDIT

1.1 Loans

- (a) Subject to the terms and conditions of this Agreement, from the Closing Date and until the Commitment Termination Date: (i) Lender agrees to make available advances (each, a "**Revolving Credit Advance**") in \$ based upon the Canadian Dollar Interest Rate or US\$ based upon the US Dollar Interest Rate, in an aggregate outstanding amount not to exceed the Borrowing Availability for the Revolving Credit Loan; and (ii) Lender agrees to make available advances (each, a "**Term Loan Advance**") in \$ based upon the Canadian Dollar Interest Rate or US\$ based upon the US Dollar Interest Rate, in an aggregate outstanding amount not to exceed the Borrowing Availability for the Term Loan. Advances under the Revolving Credit Loan shall be capable of being repaid and re-borrowed, subject to the terms and conditions hereof. Advances under the Term Loan shall not be permitted to be repaid and reborrowed, and any repayment under the Term Loan shall permanently reduce the Maximum Amount of the Term Loan available hereunder.
- (b) Borrower shall request each Advance by written notice to Lender substantially in the form of Exhibit A (each a "**Notice of Advance**") given no later than 1:00 p.m. (Toronto time) two (2) Business Days prior to the Business Day of the proposed advance and within two (2) Business Days of the delivery of the documents and information provided for in Section 4.1(a) Lender shall be fully protected under this Agreement in relying upon, and shall be entitled to rely upon: (i) any Notice of Advance believed by Lender to be genuine; and (ii) the assumption that the Persons making electronic requests or executing and delivering a Notice of Advance were duly authorized, unless the responsible individual acting thereon for Lender shall have actual knowledge to the contrary. As an accommodation to Borrower, Lender may permit telephonic (which shall, promptly upon request be confirmed in writing by Borrower), electronic, or email requests for an Advance and electronic transmittal of instructions, authorizations, agreements or reports to Lender by Borrower. Unless Borrower specifically directs Lender in writing not to accept or act upon telephonic or electronic communications from Borrower, Lender shall have no liability to Borrower for any loss or damage suffered by Borrower as a result of Lender's honouring of any requests, execution of any instructions, authorizations or agreements or reliance on any reports communicated to it telephonically or electronically and purporting to have been sent to Lender by Borrower, and Lender shall have no duty to verify the origin of any such communication or the identity or authority of the Person sending it.



- (c) In making any Loan hereunder Lender shall be entitled to rely upon the most recent Borrowing Base Certificate delivered to Lender by Borrower and other information available to Lender.

1.2 Term and Prepayment

- (a) Upon the Commitment Termination Date, the obligation of Lender to make Advances and extend other credit hereunder shall immediately terminate and Borrower shall pay to Lender in full, in cash: (i) all outstanding Advances and all accrued but unpaid interest thereon; (ii) an amount sufficient to enable Lender to hold cash collateral as may be required, solely to the extent of any Obligations remaining outstanding after repayment; and (iii) all other non-contingent Obligations due to Lender.
- (b) If the Revolving Credit Loan shall at any time exceed the Borrowing Availability applicable to the Revolving Credit Loan, or the Term Loan shall at any time exceed the Borrowing Availability applicable to the Term Loan, then Borrower shall immediately repay the applicable Loan in the amount of such excess.
- (c) Borrower shall have the right, at any time upon fifteen (15) days' prior written notice to Lender to: (i) terminate voluntarily Borrower's right to receive or benefit from, and Lender's obligation to make Advances; and (ii) prepay all of the Obligations. Following receipt of such notice by Lender, the effective date of termination of the Loans specified in such notice shall be deemed to be the Commitment Termination Date. If Borrower exercises its right of termination and prepayment, or if Lender's obligation to make Loans is terminated for any reason prior to the Maturity Date then in effect (including as a result of the occurrence of a Default), Borrower shall pay to Lender the applicable Prepayment Fee.

1.3 Use of Proceeds

Borrower shall use the proceeds of the Loans: (i) for working capital; (ii) in the case of the Term Loan, to support the purchase of Equipment; and (iii) for other permitted general corporate purposes (including, for certainty, for the purposes of making acquisitions permitted under Section 5.2(a)).

1.4 Obligations

The Loans and all of the other Obligations of Borrower to Lender shall constitute one general obligation of Borrower secured by all of the Collateral.

1.5 Interest

- (a) Borrower shall pay interest to Lender on the aggregate outstanding Advances at a rate equal to the Canadian Dollar Interest Rate or the US Dollar Interest Rate, as applicable per annum (the "**Revolving Credit Rate**"), and, on the outstanding balance of the Term Loan at a rate equal to the Canadian Dollar Interest Rate or the US Dollar Interest Rate, as applicable per annum (the "**Term Loan Rate**"). All computations of interest shall be made by Lender on the basis of a three hundred and sixty-five (365) or three hundred and sixty-six (366), as applicable, day year, in each case for the actual number of days occurring in the period for which such interest or fee is payable and shall be calculated daily and compounded (if unpaid) in arrears on the last day of each calendar month.
- (b) Each determination by Lender of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error. In no event will Lender charge interest at a rate that exceeds the highest rate of interest permissible under any Applicable Law that a court of competent jurisdiction shall, in a final determination, deem applicable.
- (c) Interest shall be payable on the Advances: (i) in arrears for the preceding calendar month on the last Business Day of each calendar month; (ii) on the Commitment Termination

Date; and (iii) if any interest accrues or remains payable after the Commitment Termination Date, upon demand by Lender.

- (d) Effective upon the occurrence of any Event of Default and for so long as any Event of Default shall be continuing, the Revolving Credit Rate and the Term Loan Rate shall in the discretion of Lender be increased by five percentage points (5%) per annum (such increased rate, the "**Default Rate**"), and all outstanding Obligations, including unpaid interest, shall continue to accrue interest from the date of such Event of Default at the Default Rate applicable to such Obligations.
- (e) If any interest or any other payment (including Unused Line Fees and Collateral Monitoring Fees) to Lender under this Agreement becomes due and payable on a day other than a Business Day, such payment date shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension.
- (f) The Borrower hereby acknowledges and confirms that it understands the conversion formulas and how to calculate any annual rate of interest contemplated in this Section and any and all fees due and payable under this Agreement. Lender agrees that promptly upon request by the Borrower from time to time it will assist the Borrower in calculating the effective annual rate of interest required to be disclosed pursuant to section 4 of the *Interest Act* (Canada).
- (g) Notwithstanding any provision of this Agreement and any other Loan Document, in no event shall the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under any Loan Document exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under any Loan Document lawfully permitted by that section, nor shall the interest payable under any Loan Document exceed the rate of interest which may be lawfully charged by any other Applicable Laws having application to interest payable under any Loan Document, and, if any payment, collection or demand pursuant to any Loan Document in respect of "interest" (as defined in that section) or under any such other Applicable Laws is determined to be contrary to the provisions of that section or such other Applicable Laws, such payment, collection or demand shall be deemed to have been made by mutual mistake of Borrower and Lender and the amount of such payment or collection shall be refunded to Borrower. For the purpose of this Agreement, and to the extent permitted by Applicable Law, the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of the facilities hereunder and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be *prima facie* evidence of such rate.

1.6 Cash Management System

On or prior to the Closing Date and until the Termination Date, Borrower will establish and maintain the cash management system described in Schedule C. All payments in respect of the Collateral shall be made to or deposited in the Blocked Accounts described in Schedule C in accordance with the terms thereof.

1.7 Fees

Borrower agrees to pay to Lender the Fees set forth in Schedule D on the dates noted therein.

1.8 Receipt of Payments

Borrower shall make each payment under this Agreement (not otherwise made pursuant to Section 1.9) without set-off, counterclaim or deduction and free and clear of all Taxes on the day when due in lawful money of Canada in immediately available funds to the Blocked Accounts. If Borrower shall be required by Applicable Law to deduct or withhold any Taxes from any payment to Lender under any Loan Document, then the amount payable to Lender shall be increased so that, after making all required deductions and



withholdings, Lender receives an amount equal to that which it would have received had no such deductions and withholdings been made. For purposes of computing interest and Fees, all payments shall be deemed received by Lender one (1) Business Day following receipt of immediately available funds in the Blocked Accounts.

1.9 Application and Allocation of Payments

Borrower irrevocably agrees that Lender shall have the continuing and exclusive right to apply any and all payments against the then due and payable Obligations in such order as Lender may deem advisable. Lender is authorized to, and at its option may (without prior notice or precondition and at any time or times), but shall not be obligated to, make or cause to be made Revolving Credit Advances on behalf of Borrower, for: (a) payment of all Fees, expenses, indemnities, charges, costs, principal, interest, or other Obligations owing by Borrower under this Agreement or any of the other Loan Documents; (b) the payment, performance or satisfaction of any of Borrower's obligations with respect to preservation of the Collateral; or (c) any premium in whole or in part required in respect of any of the policies of insurance required by this Agreement, even if the making of any such Revolving Credit Advance causes the outstanding balance of the Revolving Credit Loan to exceed the Borrowing Availability, and Borrower agrees to repay immediately, in cash, any amount by which the Revolving Credit Loan exceeds the Borrowing Availability.

1.10 Accounting

Lender is authorized to record on its books and records the date and amount of each Loan and each payment of principal thereof and such recordation shall constitute prima facie evidence of the accuracy of the information so recorded. Lender shall provide Borrower on a monthly basis a statement and accounting of such recordations but any failure on the part of Lender to keep any such recordation (or any errors therein) or to send a statement thereof to Borrower shall not in any manner affect the obligation of Borrower to repay any of the Obligations. Except to the extent that Borrower shall, within thirty (30) days after such statement and accounting is sent, notify Lender in writing of any objection Borrower may have thereto (stating with particularity the basis for such objection), such statement and accounting shall be deemed final, binding and conclusive upon Borrower, absent manifest error.

1.11 Indemnity

Borrower and each other Credit Party executing this Agreement jointly and severally agree to indemnify and hold Lender and its Affiliates, and their respective employees, officers, directors, professional advisors and agents (each, an "Indemnified Person"), harmless from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses of any kind or nature whatsoever (including legal fees and disbursements and other costs of investigation or defence, including those incurred upon any appeal) which may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or with respect to the execution, delivery, enforcement, performance or administration of, or in any other way arising out of or relating to, this Agreement and the other Loan Documents or any other documents or transactions contemplated by or referred to herein or therein and any actions or failures to act with respect to any of the foregoing, including any and all product liabilities, Environmental Liabilities, Taxes and legal costs and expenses arising out of or incurred in connection with any dispute between or among any parties to any of the Loan Documents (collectively, "Indemnified Liabilities"), except to the extent that any such Indemnified Liability is finally determined by a court of competent jurisdiction to have resulted solely from such Indemnified Person's gross negligence or wilful misconduct. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY CREDIT PARTY, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

1.12 Borrowing Base

The Borrowing Base shall be determined by Lender (including the eligibility of Accounts and Inventory) based on the most recent Borrowing Base Certificate delivered to Lender in accordance with Section 4.1(a).

1.13 Increase in Maximum Amount in respect of the Revolving Credit Loan

The Borrower may, at any time and from time to time, increase the Maximum Amount in respect of the Revolving Credit Loan on not less than thirty (30) days' advance written notice (the "Increase Notice"). The right to increase the Maximum Amount in respect of the Revolving Credit Loan shall be subject to the following:

- (a) the Lender shall have received an executed Increase Notice, which Increase Notice shall set forth the amount of the proposed increase in the Maximum Amount in respect of the Revolving Credit Loan, not less than thirty (30) days' in advance of the date on which the increase to the Maximum Amount is proposed to take effect;
- (b) the amount of the proposed increase in the Maximum Amount in respect of the Revolving Credit Loan is not less than \$5,000,000 (or the remaining amount of the Maximum Amount in respect of the Revolving Credit Loan, if the same is less than \$5,000,000); and
- (c) no Default or Event of Default shall have occurred and be continuing and the Borrower shall have delivered to the Agent an officer's certificate confirming the same and otherwise confirming (i) its corporate authorization to make such increase, (ii) that all representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and as of the date thereof as if made on and as of such date and (iii) that no consents, approvals or authorizations are required for such increase (except as have been unconditionally obtained and are in full force and effect, unamended); each as at the effective date of such increase.

SECTION 2 – CONDITIONS PRECEDENT

2.1 Conditions to the Initial Loans

Lender shall not be obligated to make any of the Loans or to perform any other action hereunder, until the following conditions have been satisfied in a manner satisfactory to Lender in its sole discretion, or waived in writing by Lender:

- (a) the Loan Documents to be delivered on or before the Closing Date shall have been duly executed and delivered by the appropriate parties, all as set forth in the Schedule of Documents (Schedule E);
- (b) Lender shall have received and shall be satisfied with such estoppel letters, landlord (in a form and substance acceptable to Lender in its sole discretion), mortgagee, processor and bailee or third party distributor waivers and such other consents (including consents from Governmental Authorities) as Lender may require in its discretion, provided that any such estoppel letter or waivers where Lender has taken an Availability Reserve shall not be a condition precedent to the making of any of the Loans;
- (c) Lender shall have received and shall be satisfied with such subordination and intercreditor agreements as Lender may require in its discretion;
- (d) the insurance policies provided for in Section 3.16 shall be in full force and effect, together with appropriate evidence showing loss payable or additional insured clauses or endorsements in favour of Lender as required under such Section;



- (e) Lender shall have received an opinion of counsel to each of the Credit Parties (including a standard enforceability opinion) with respect to each Loan Document to which such Credit Party is a party, in form and substance satisfactory to Lender, acting reasonably;
- (f) Lender (and where applicable, Lender's counsel) shall have completed and be satisfied with the results of all business, environmental and legal due diligence;
- (g) Lender shall have received, and be satisfied with, the results of Credit Parties' Equipment appraisal conducted by an appraisal firm acceptable to Lender;
- (h) Lender shall have been provided with, and be satisfied with, its review of Credit Parties' documents regarding its corporate and capital structure, Material Contracts and debt instruments;
- (i) Lender shall have reviewed and be satisfied with Credit Parties' customers' contracts, and, if requested by Lender, the purchase orders relating thereto;
- (j) Lender shall have completed and be satisfied with the results of the background and reference checks on Credit Parties', and senior management of the Credit Parties; and
- (k) Lender shall have received, and same shall continue to be valid and current, certified copies of all the constating documents, by-laws and resolutions of the directors (or partners, members or shareholders as required by Lender) authorizing the Loan Documents, and certificates of incumbency, for Borrower and each other Credit Party.

2.2 Further Conditions to the Loans

Lender shall not be obligated to fund any Loan (including the initial Loans), if, as of the date thereof:

- (a) any representation or warranty by any Credit Party contained herein or in any of the other Loan Documents shall be untrue or incorrect as of such date, except to the extent that any such representation or warranty is expressly stated to relate to a specific earlier date, in which case, such representation and warranty shall be true and correct as of such earlier date;
- (b) any event or circumstance, which has had or reasonably could be expected to have a Material Adverse Effect, shall have occurred since the date of the most recent Financial Statement delivered pursuant to Section 4.1;
- (c) any Default shall have occurred and be continuing or would result after giving effect to such Loan;
- (d) Lender shall have received a Borrowing Base Certificate in form and substance reasonably satisfactory to the Lender; and
- (e) after giving effect to such Loan, the Revolving Credit Loan would exceed the Borrowing Availability applicable to the Revolving Credit Loan, or the Term Loan would exceed the Borrowing Availability applicable to the Term Loan.

The request and acceptance by Borrower of the proceeds of any Loan shall be deemed to constitute, as of the date of such request and the date of such acceptance: (i) a representation and warranty by Borrower that the conditions in this Section 2.2 have been satisfied; and (ii) a restatement by Borrower of each of the representations and warranties made by it in each Loan Document and a reaffirmation by Borrower of the granting and continuance of Lender's Liens pursuant to the Loan Documents.



2.3 Warrants

The Borrower will continue to use its reasonable commercial efforts to obtain TSX Venture Exchange approval (“**TSXV Approval**”) to grant to the Lender common share purchase warrants, in a form satisfactory to the Lender, to acquire 225,000 common shares in the capital of the Borrower for a period of 60 months, with an exercise price equal to 25% above the closing price as of the business day prior to the Closing Date. Upon receipt of TSXV Approval, the Borrower shall promptly deliver a certificate representing the aforementioned warrants to the Lender, together with such certificates and opinions regarding the same as the Lender may reasonably require. The Lender represents that it is an “accredited investor” as such term is defined in the National Instrument 45-106, Prospectus Exemption and satisfies the criteria under paragraph (m) thereunder.

SECTION 3 – REPRESENTATIONS, WARRANTIES AND AFFIRMATIVE COVENANTS

To induce Lender to enter into this Agreement and to make the Loans, Borrower and each other Credit Party executing this Agreement represent and warrant to Lender (each of which representations and warranties shall survive the execution and delivery of this Agreement), and promise to and agree with Lender at all times until the Termination Date as follows:

3.1 Corporate Existence; Compliance with Law

Each Credit Party:

- (a) is, as of the Closing Date, and will continue to be: (i) a corporation, partnership or limited liability company, as applicable, duly organized, validly existing, duly qualified or registered and in good standing under the Applicable Laws of the jurisdiction of its incorporation or formation; (ii) duly qualified to do business and in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; and (iii) in compliance with all Requirements of Law, including without limitation, Applicable Laws relating to food safety and the prevention of money laundering and terrorist financing and Contractual Obligations, except to the extent failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (b) has and will continue to have: (i) the requisite power and authority and the legal right to execute, deliver and perform its obligations under the Loan Documents to which it is a party, and to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease, and to conduct its business as now, heretofore or proposed to be conducted; and (ii) all licenses, permits, franchises, rights, powers, consents or approvals from or by all Persons or Governmental Authorities having jurisdiction over such Credit Party which are necessary or appropriate for the conduct of its business; and
- (c) is not an “insolvent person” as such term is defined in the BIA.

3.2 Executive Offices; Corporate or Other Names

The location of each Credit Party’s chief executive office, corporate offices, warehouses, other locations of Collateral and locations where records with respect to Collateral are kept (including, in each case, the county of such locations, to the extent applicable) are as set forth in Disclosure Schedule (3.2) and, except as set forth in such Disclosure Schedule, such locations have not changed during the preceding twelve (12) months. As of the Closing Date, during the prior five years, except as set forth in Disclosure Schedule (3.2), no Credit Party has been known as or conducted business in any other name (including trade or business names).



3.3 Corporate Power; Authorization; Enforceable Obligations

The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party, and the creation by such Credit Party of all Liens provided for herein and therein: (a) are and will continue to be within such Credit Party's power and authority; (b) have been and will continue to be duly authorized by all necessary or proper action; (c) are not and will not be in violation of any Requirement of Law or Contractual Obligation of such Credit Party; (d) do not and will not result in the creation or imposition of any Lien (other than in favour of Lender) upon any of the Collateral; and (e) do not and will not require the consent or approval of any Governmental Authority or any other Person that has not been obtained. As of the Closing Date, each Loan Document shall have been duly executed and delivered on behalf of each Credit Party thereto, and each such Loan Document upon such execution and delivery shall be and will continue to be a legal, valid and binding obligation of such Credit Party, enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other similar Applicable Laws affecting creditors' rights generally.

3.4 Financial Statements and Projections; Books and Records

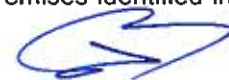
- (a) The Financial Statements delivered by Borrower to Lender for its most recently ended Fiscal Year and Fiscal Quarter, are true, correct and complete and reflect fairly and accurately the financial condition of Borrower as of the date of each such Financial Statement in accordance with GAAP. The Projections most recently delivered by Borrower to Lender have been prepared in good faith, with care and diligence and use assumptions that are reasonable under the circumstances at the time such Projections were prepared and as of the date delivered to Lender and all such assumptions are disclosed in the Projections; and
- (b) each of Borrower and the other Credit Parties shall keep adequate Books and Records with respect to the Collateral and its business activities in which proper entries, reflecting all consolidated and consolidating financial transactions, and payments and credits received on, and all other dealings with, the Collateral, shall be made in accordance with GAAP and all Requirements of Law and on a basis consistent with the Financial Statements.

3.5 Material Adverse Change

Between the date of the most recent audited Financial Statements delivered to Lender for each Credit Party and the Closing Date: (a) no Credit Party has incurred any obligations, contingent or non-contingent liabilities, or liabilities for Charges, long-term leases or unusual forward or long-term commitments which are not reflected in the Projections delivered prior to the Closing Date and which could, alone or in the aggregate, reasonably be expected to have a Material Adverse Effect; (b) there has been no material deviation from such Projections; and (c) no events have occurred which alone or in the aggregate have had or could reasonably be expected to have a Material Adverse Effect. No Requirement of Law or Contractual Obligation of any Credit Party has or have had or could reasonably be expected to have a Material Adverse Effect. No Credit Party is in default, and to such Credit Party's knowledge, no third party is in default, under or with respect to any of its Contractual Obligations, which alone or in the aggregate has had or could reasonably be expected to have a Material Adverse Effect.

3.6 Real Estate; Property

The real estate listed in Disclosure Schedule (3.6) constitutes, as of the Closing Date, all of the real property owned, leased, or used by each Credit Party in its business, and such Credit Party will not execute any material agreement or contract in respect of such real estate after the date of this Agreement without giving Lender prompt prior written notice thereof. Each Credit Party holds and will continue to hold good and marketable fee simple title to all of its owned real estate, and good and marketable title to all of its other properties and assets, and valid and insurable leasehold interests in all of its leases (both as lessor and lessee, sublessee or assignee), and none of the properties and assets of any Credit Party are or will be subject to any Liens, except Permitted Encumbrances. With respect to each of the premises identified in



Disclosure Schedule (3.6) on or prior to the Closing Date a bailee, third party distributor, landlord or mortgagee waiver acceptable to Lender has been obtained except as expressly noted in Disclosure Schedule (3.6).

3.7 Ventures, Subsidiaries and Affiliates; Outstanding Shares and Indebtedness

Except as set forth in Disclosure Schedule (3.7), as of the Closing Date no Credit Party has any Subsidiaries, is engaged in any joint venture or partnership with any other Person, or is an Affiliate of any other Person. All of the issued and outstanding Shares of each Credit Party (including all rights to purchase, options, warrants or similar rights or agreements pursuant to which any Credit Party may be required to issue, sell, repurchase or redeem any of its Shares) as of the Closing Date are registered in the name of each of the Shareholders (and in the amounts) set forth on Disclosure Schedule (3.7). All outstanding Indebtedness of each Credit Party as of the Closing Date is described in Disclosure Schedule (5.2(b)). Each Credit Party will, upon forming any Subsidiary, promptly (and in any event within ten (10) Business Days) thereafter: (a) cause such Subsidiary to become a Credit Party hereunder and deliver all Loan Documents required to be delivered by a Credit Party hereunder; and (b) take all other actions required by Lender to perfect the Lender's first priority Liens upon the Collateral.

3.8 Government Regulations

To the extent any Credit Party is subject to or regulated under any Applicable Law that restricts or limits such Person's ability to incur Indebtedness, pledge its assets, or to perform its obligations under the Loan Documents, such Applicable Laws have been complied with. The making of the Loans, the application of the proceeds and repayment thereof, and the consummation of the transactions contemplated by the Loan Documents do not and will not violate any Requirement of Law.

3.9 Taxes; Charges

Except as disclosed on Disclosure Schedule (3.9) all tax returns, reports and statements required by any Governmental Authority to be filed by Borrower or any other Credit Party have, as of the Closing Date, been filed and will, until the Termination Date, be filed with the appropriate Governmental Authority and no tax Lien has been filed against any Credit Party or any Credit Party's property. Proper and accurate amounts have been and will be withheld by Borrower and each other Credit Party from their respective past or present employees for all periods in complete compliance with all Requirements of Law and such withholdings have been and will be timely paid to the appropriate Governmental Authorities. Disclosure Schedule (3.9) sets forth as of the Closing Date those taxable years for which any Credit Party's tax returns are currently being audited by the Canada Revenue Agency or any other applicable Governmental Authority and any assessments or threatened assessments in connection with such audit, or otherwise currently outstanding. Except as described on Disclosure Schedule (3.9), none of the Credit Parties nor their respective predecessors are liable for any Charges: (a) under any agreement (including any tax sharing agreements or agreement extending the period of assessment of any Charges); or (b) to each Credit Party's knowledge, as a transferee.

3.10 Payment of Obligations

Each Credit Party will pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of its Charges and other obligations of whatever nature, except where the amount or validity thereof is at such time being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of such Credit Party and none of the Collateral is or could reasonably be expected to become subject to any Lien or forfeiture or loss as a result of such contest.

3.11 Pension Plans

- (a) Disclosure Schedule (3.11) lists all Plans applicable to Borrower (other than, for greater certainty, Plans maintained by the Government of Canada or any Government of a



Province of Canada to which Borrower is obligated to contribute under any Applicable Law).

- (b) No Pension Event has occurred or is reasonably expected to occur. The aggregate amount of all normal contributions (as such term is defined for the purpose of the BIA) accruing due but not paid or remitted, all amounts withheld from employees and not paid or remitted and other amounts which might give rise to a Lien giving any priority under the BIA shall never exceed the Minimum Actionable Amount.
- (c) In respect of the Plans and Benefit Arrangements:
- (i) each member of the ERISA Group is in compliance with any applicable provisions of ERISA with respect to all Benefit Arrangements, Plans and Multiemployer Plans;
 - (ii) there has been no Prohibited Transaction with respect to any Benefit Arrangement which would reasonably be expected to have a Material Adverse Effect, and there has been no Prohibited Transaction with respect to any Plan or, to the best knowledge of any member of the ERISA Group, with respect to any Multiemployer Plan or any Multiple Employer Plan, which could result in any liability of any member of the ERISA Group;
 - (iii) each member of the ERISA Group has made when due any and all material payments required to be made under any agreement relating to a Multiemployer Plan or a Multiple Employer Plan or any Applicable Law pertaining thereto;
 - (iv) with respect to each Plan and Multiemployer Plan, each member of the ERISA Group (A) has materially fulfilled in all their obligations under the minimum funding standards of ERISA; (B) have not incurred any liability to the PBGC, and (C) have not had asserted against them any penalty for failure to fulfill the minimum funding requirements of ERISA;
 - (v) to the best of the knowledge of each member of the ERISA Group, each Multiemployer Plan and Multiple Employer Plan is able to pay benefits thereunder when due;
 - (vi) no member of the ERISA Group has instituted or intends to institute proceedings to terminate any Plan;
 - (vii) no event requiring notice to the PBGC under Section 302(f)(4)(A) of ERISA (or, for plan years beginning after 2007, Section 303(k)(4)(A) of ERISA) has occurred or is reasonably expected to occur with respect to any Plan, and no amendment with respect to which security is required under Section 307 (or, for plan years beginning after 2007, Section 206(g)(5) of ERISA) of ERISA has been made or is reasonably expected to be made to any Plan;
 - (viii) the aggregate actuarial present value of all benefit liabilities (whether or not vested) under each Plan, determined on a plan termination basis, as disclosed in, and as of the date of, the most recent actuarial report for such Plan, does not exceed the aggregate fair market value of the assets of such Plan;
 - (ix) no member of the ERISA Group has incurred or reasonably expects to incur any withdrawal liability under ERISA to any Multiemployer Plan or Multiple Employer Plan;
 - (x) no Credit Party and no other member of the ERISA Group has been notified by any Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan has been terminated within the meaning of Title IV of

ERISA and, to the best knowledge of each Credit Party, no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be reorganized or terminated, within the meaning of Title IV of ERISA;

- (xi) to the extent that any Benefit Arrangement is insured, each Credit Party and all other members of the ERISA Group have materially paid when due all premiums required to be paid for all periods;
- (xii) to the extent that any Benefit Arrangement is funded other than with insurance, each Credit Party and all other members of the ERISA Group have made when due all contributions required to be paid for all periods, except for any failure to pay when due any contributions which would not reasonably be expected to have a Material Adverse Effect; and
- (xiii) all Plans, Benefit Arrangements and Multiemployer Plans have been administered in compliance with their terms and Applicable Law, except for any such non-compliance which would not reasonably be expected to have a Material Adverse Effect.

3.12 Litigation

No Litigation is pending or, to the knowledge of any Credit Party, threatened against any Credit Party or against any Credit Party's properties or revenues: (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby; (b) which could reasonably be expected to have a Material Adverse Effect; or (c) which is otherwise in an amount in excess of the Minimum Actionable Amount. Except as set forth on Disclosure Schedule (3.12), as of the Closing Date, there is no Litigation pending or threatened against any Credit Party which seeks damages in excess of the Minimum Actionable Amount or injunctive relief or alleges criminal misconduct of any Credit Party. Following the Closing Date, each Credit Party shall notify Lender promptly in writing upon learning of the existence, threat or commencement of any Litigation against any Credit Party or any Plan, in each case, if applicable, or any allegation of criminal misconduct against any Credit Party.

3.13 Intellectual Property

As of the Closing Date, all Material Intellectual Property owned or used by any Credit Party is listed, together with application or registration numbers, where applicable, in Disclosure Schedule (3.13). Each Credit Party owns, or is licensed to use, all Material Intellectual Property. Each Credit Party will maintain the patenting and registration of all Material Intellectual Property owned by it with the appropriate Governmental Authority and each Credit Party will promptly apply to patent or register, as the case may be, all new Material Intellectual Property developed by it and notify Lender in writing five (5) Business Days prior to filing any such new patent or registration.

3.14 Full Disclosure/Know Your Customer

No information contained in any Loan Document, the Financial Statements or any written statement furnished by or, to the knowledge of such Credit Party after due investigation, on behalf of any Credit Party, under any Loan Document or to induce Lender to execute the Loan Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. Without limitation to any other term hereof, each Credit Party shall provide Lender with such documentation and other evidence as is determined necessary by Lender in or for it to be satisfied that it has complied and all times will comply with all "know your customer" requirements under all applicable Requirements of Law (including in connection with any change of laws or requirement or any proposed or actual assignment by Lender).

3.15 Environmental Matters



Except as set forth on Disclosure Schedule (3.15), as of the Closing Date: (a) each real property location owned, leased or occupied by or otherwise in the charge, management or control of each Credit Party (the "Real Property") is maintained free of material contamination that is required by the applicable Environmental Laws to be removed, remediated or mitigated; (b) no Credit Party is subject to any Environmental Liabilities or, to any Credit Party's knowledge, potential Environmental Liabilities, in excess of the Minimum Actionable Amount in the aggregate; (c) no notice has been received by any Credit Party identifying it as a "potentially responsible party" or otherwise identifying it as a potentially liable party or requesting information under the EPA or analogous federal or provincial Applicable Laws, in each case, to the extent applicable, and to the knowledge of any Credit Party, there are no facts, circumstances or conditions that may result in any Credit Party being identified as a "potentially responsible party" under the EPA or analogous federal or provincial Applicable Laws, in each case, to the extent applicable; and (d) each Credit Party has provided to Lender copies of all existing environmental reports, reviews and audits and all written information pertaining to actual or potential Environmental Liabilities, in each case relating to each Real Property location. Each Credit Party: (i) shall comply in all material respects with all applicable Environmental Laws and environmental permits; (ii) shall notify Lender in writing within seven (7) Business Days if and when it becomes aware of any Release, on, at, in, under, above, to, from or about any of its Real Property; and (iii) shall promptly forward to Lender a copy of any order, notice, permit, application, or any communication or report received by it or any other Credit Party in connection with any such Release.

3.16 Insurance

As of the Closing Date, Disclosure Schedule (3.16) lists all insurance of any nature maintained for current occurrences by Borrower and each other Credit Party, as well as a summary of the terms of such insurance. Each Credit Party shall deliver to Lender originals or copies and endorsements to all of its and those of its Subsidiaries: (a) "All Risks" and business interruption insurance policies naming Lender as loss payee and additional insured; and (b) general liability and other liability policies naming Lender as an additional insured. All policies of insurance on real and personal property will be adequate in form, substance, scope and amount and will contain an endorsement, all in form and substance acceptable to Lender, showing loss payable to Lender (I.B.C. Form 3000 or equivalent) and extra expense and business interruption endorsements. Such endorsement, or an independent instrument furnished to Lender, will provide that the insurance companies will give Lender at least thirty (30) days prior written notice before any such policy or policies of insurance shall be altered or cancelled and that no act or default of Borrower or any other Person shall affect the right of Lender to recover under such policy or policies of insurance in case of loss or damage. Each Credit Party shall direct all present and future insurers under its "All Risk" policies of insurance to pay all proceeds payable thereunder directly to Lender. If any insurance proceeds are paid by cheque, draft or other instrument payable to any Credit Party and Lender jointly, Lender may endorse such Credit Party's name thereon and do such other things as Lender may deem advisable to reduce the same to cash. Lender reserves the right at any time, upon review of each Credit Party's risk profile, to require additional forms and limits of insurance. Each Credit Party shall, on each anniversary of the Closing Date and from time to time at Lender's request, deliver to Lender a report by a reputable insurance broker, satisfactory to Lender, with respect to such Credit Party's insurance policies. Borrower will maintain all such insurance in effect during the term of this Agreement. Notwithstanding the foregoing, the Credit Parties shall have thirty (30) days after the Closing Date to fulfil any of the requirements set forth in this Section 3.16 in respect of any business interruption insurance policies.

3.17 Bank Accounts

Borrower and the other Credit Parties shall maintain deposit and/or other accounts, including the Blocked Accounts and Disbursement Accounts, with the Blocked Account Banks and will not have any other bank accounts without the prior consent of Lender.

3.18 Accounts and Inventory

As of the date of each Borrowing Base Certificate delivered to Lender, each Account listed thereon as an Eligible Account shall be an Eligible Account and all Inventory listed thereon as Eligible Inventory shall be Eligible Inventory. Borrower has not made, and will not make, any agreement with any Account Debtor for any extension of time for the payment of any Account, any compromise or settlement for less than the full



amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom except a discount or allowance for prompt or early payment allowed by Borrower in the ordinary course of its business consistent with historical practice and as previously disclosed to Lender in writing. With respect to the Accounts pledged as collateral pursuant to any Loan Document: (a) the amounts shown on all invoices, statements and reports which may be delivered to Lender with respect thereto are actually and absolutely owing to the relevant Credit Party as indicated thereon and are not in any way contingent; (b) no payments have been or shall be made thereon except payments immediately delivered to the applicable accounts described in Schedule C or Lender as required hereunder; and (c) to Borrower's knowledge, all Account Debtors have the capacity to contract. Borrower shall notify Lender promptly of any event or circumstance which, to Borrower's knowledge would cause Lender to consider any then existing Account or Inventory as no longer constituting an Eligible Account or Eligible Inventory, as the case may be.

3.19 Conduct of Business

- (a) Each Credit Party: (i) shall conduct its business substantially as now conducted or as otherwise permitted hereunder; (ii) shall at all times maintain, preserve and protect all of the Collateral and such Credit Party's other property, used or useful in the conduct of its business and keep the same in good repair, working order and condition and make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices; and (iii) shall conduct all its business in accordance with all Hazard Analysis and Critical Control Point ("HACCP") guidelines and principles and maintain a HACCP plan acceptable to Lender.
- (b) The Borrower shall, at all time, remain listed on the TSX Venture Exchange of the Toronto Stock Exchange.

3.20 Material Contracts

All of the Material Contracts of the Credit Parties are described in Schedule F.

3.21 Further Assurances

At any time and from time to time, upon the written request of Lender and at the sole expense of Borrower, Borrower and each other Credit Party shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Lender may reasonably deem desirable: (a) to obtain the full benefits of this Agreement and the other Loan Documents; (b) to protect, preserve and maintain Lender's rights in any Collateral; or (c) to enable Lender to exercise all or any of the rights and powers herein granted.

3.22 Default

No Default or Event of Default has occurred and is continuing.

3.23 Anti-Corruption; Anti-Money Laundering

- (a) No Credit Party, any of its subsidiaries, any director, officer or employee of any Credit Party or any of its subsidiaries, nor any agent or representative of any Credit Party or any of its subsidiaries, is a Sanctioned Person or currently the subject or target of any Sanctions.
- (b) The Credit Parties, each of their subsidiaries, and each of the Credit Parties and their subsidiaries' respective directors, officers, employees, agents and representatives, is in compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions. The Credit Parties shall at all times comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to the Credit Parties and shall cause each of their respective subsidiaries to comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to such Persons.



- (c) The Credit Parties and their subsidiaries have instituted and will maintain in effect policies and procedures reasonably designed to ensure compliance by the Credit Parties, their subsidiaries, and their respective directors, officers, employees, agents and representatives with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.
- (d) The Credit Parties shall provide the Lender any information regarding the Credit Parties, and each of their respective owners, Affiliates, and subsidiaries necessary for the Lender to comply with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; subject however, in the case of Affiliates, to Credit Parties' ability to provide information applicable to them.

SECTION 4 – FINANCIAL REPORTS, INFORMATION AND NOTICES

4.1 Reports and Information

From the Closing Date until the Termination Date, Borrower shall deliver to Lender:

- (a) on the first Business Day of each month by 12.00 p.m. (Toronto time) on such day and on each other day a Notice of Advance is submitted (in accordance with the timeframes set out in Section 1.1(b) above), a Borrowing Base Certificate in the form of Exhibit C as of the close of business of the previous Business Day, detailing the calculation of the Borrowing Base (and making reference to the Availability Reserves determined by Lender based on the prior-delivered Borrowing Base Certificate, or, in respect of the first delivered Borrowing Base Certificate, that Availability Reserves determined by the Lender and provided to the Borrower not fewer than two (2) Business Days' in advance), certified as true and correct by an Authorized Officer, together with an accounts receivable roll forward analysis in the form of Attachment 1 to Exhibit C, and all accounts receivable, accounts payable and inventory ledgers, subledgers, copies of bank account statements and other backup reporting as Lender may reasonably require, provided that: (i) Borrower shall provide a full Borrowing Base Certificate on or before the Closing Date, based on the financial information available to Borrower as at the Closing Date; (ii) Borrower shall provide a further full Borrowing Base Certificate, in form and substance reasonably satisfactory to Lender, within (10) days of the Closing Date; and (iii) thereafter, at any time prior to the date on which the first Revolving Credit Advance is made, each such Borrowing Base Certificate shall not be required to include (or be accompanied by) any figures, calculations or statements to the extent they relate solely to the calculation of the Revolving Credit Loan Borrowing Base;
- (b) within thirty (30) days following the end of each Fiscal Month:
 - (i) its aged accounts payable listing by creditor, its aged accounts receivable listing by Account Debtor, its Inventory perpetual or physical listing and if requested by Lender, reconciliations of the aged accounts receivable listing by Account Debtor and the Inventory perpetual or physical listing (as the case may be) to Borrower's trial balance and from the trial balance to the Financial Statements for such Fiscal Month, accompanied by supporting detail and documentation as Lender may request;
 - (ii) its trial balance for such Fiscal Month; and
 - (iii) its consolidated and consolidating Financial Statements for such Fiscal Month, which shall provide reporting on EBITDA for such month, comparisons to budget and actual results for the corresponding period during the prior Fiscal Year, both on a monthly and year-to-date basis;



- (c) within forty five (45) days following the end of each Fiscal Quarter, a Compliance Certificate, together with a statement in the form of Attachment 1 to Exhibit D, showing the calculations used in determining compliance with the financial covenants hereunder, together with a projected statement of cash flows for the following 13 week period, prepared on a weekly basis;
- (d) within one-hundred and twenty (120) days following the end of each Fiscal Year, the consolidated Financial Statements for such Fiscal Year audited without qualification by an independent qualified accounting firm acceptable to Lender, which shall provide comparisons to the prior Fiscal Year, together with any management letter that may be issued;
- (e) within thirty (30) days following the end of each Fiscal Year (and thereafter, (i) at the request of the Borrower, but not more than once in any Fiscal Quarter, and (ii) upon the consummation of a Permitted Acquisition, subject to the timely approval of the Lender acting reasonably and in good faith), consolidated Projections, by month for the next Fiscal Year prepared by Borrower in a manner consistent with GAAP and accompanied by senior management's discussion and analysis of such plan and prepared by Borrower in good faith, with care and diligence, and using assumptions which are reasonable under the circumstances at the time such Projections are delivered to Lender and disclosed therein when delivered (which Projections will be subject to the timely approval of the Lender acting reasonably and in good faith); and
- (f) all the other reports and information set forth in Exhibit B in the time frames set forth therein, and such other reports as Lender may require from time to time.

4.2 Notices

Borrower shall advise Lender promptly, in reasonable detail, of:

- (a) any Lien, other than Permitted Encumbrances, attaching to or asserted against any of the Collateral or any occurrence causing a material loss or decline in value of any Collateral and the estimated (or actual, if available) amount of such loss or decline;
- (b) any material change in the composition of the Collateral;
- (c) the occurrence of any Default or other event which has had or could reasonably be expected to have a Material Adverse Effect. Borrower shall, upon request of Lender, furnish to Lender such other reports and information in connection with the affairs, business, financial condition, operations, prospects or management of Borrower or any other Credit Party or the Collateral as Lender may reasonably request, all in reasonable detail; and
- (d) notice (including the nature of the event and, when known, any action taken or threatened by the U.S. Internal Revenue Service or the PBGC with respect thereto) of any of the following:
 - (i) any reportable event (as defined in Section 4043(c) of ERISA) with respect to any Credit Party or any other member of the ERISA Group (regardless of whether the obligation to report such reportable event to the PBGC has been waived);
 - (ii) any Prohibited Transaction which could subject any Credit Party or any other member of the ERISA Group to a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Internal Revenue Code in connection with any Plan, any Benefit Arrangement or any trust created thereunder;
 - (iii) any assertion of withdrawal liability with respect to any Multiemployer Plan;

- (iv) any partial or complete withdrawal from a Multiemployer Plan by any Credit Party or any other member of the ERISA Group under Title IV of ERISA (or assertion thereof), where such withdrawal is likely to result in withdrawal liability;
- (v) any cessation of operations by any Credit Party or any other member of the ERISA Group as described in Section 4062(e) of ERISA;
- (vi) withdrawal by any Credit Party or any other member of the ERISA Group from a Multiple Employer Plan;
- (vii) a failure by any Credit Party or any other member of the ERISA Group to make a payment to a Plan required to avoid imposition of a Lien under Section 302(f) of ERISA (or, for plan years beginning after 2007, Section 303(k)(4)(A) of ERISA);
- (viii) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA (or, for plan years beginning after 2007, Section 206(g)(5) of ERISA); or
- (ix) any change in the actuarial assumptions or funding methods used for any Plan, where the effect of such change is to materially increase or reduce the unfunded benefit liability or obligation to make periodic contributions.

SECTION 5 – FINANCIAL AND NEGATIVE COVENANTS

5.1 Financial Covenants

Credit Parties shall maintain the following financial covenants:

- (a) as at the end of each Fiscal Quarter, EBITDA of not less than eighty percent (80%) of the projected EBITDA for such Fiscal Quarter as set out in the Projections delivered and approved pursuant to Section 4.1(e); and
- (b) as at the end of each Fiscal Quarter, a Cash Coverage Ratio of not less than 2.50:1.00;

provided that, if, as at the end of any Fiscal Quarter, Borrower has satisfied the Cash Coverage Ratio covenant in Section 5.1(b) above, there shall not be deemed to be an Event of Default, regardless of whether Borrower has satisfied the EBITDA covenant in Section 5.1(a) above. For greater certainty, a breach of Section 5.1(b) above shall be an Event of Default regardless of whether Section 5.1(a) has been met.

5.2 Negative Covenants

Each Credit Party covenants to Lender that so long as this Agreement is in effect:

- (a) such Credit Party shall not: (i) form any Subsidiary or merge with, amalgamate with, consolidate with, any other Person except in accordance with Section 3.7; (ii) complete any Acquisitions, other than Permitted Acquisitions; or (iii) except as provided in Section 5.2(c) below, make a loan or advance to any Person;
- (b) such Credit Party shall not cancel any debt owing to it or create, incur, assume or permit to exist any Indebtedness, except:
 - (i) the Obligations;
 - (ii) Indebtedness existing as of the Closing Date set forth on Disclosure Schedule (5.2(b));



- (iii) deferred taxes;
 - (iv) by endorsement of instruments or items of payment for deposit to the general account of such Credit Party;
 - (v) Guaranteed Indebtedness incurred for the benefit of Borrower if the primary obligation is permitted by this Agreement;
 - (vi) Indebtedness owing to another Credit Party;
 - (vii) Purchase Money Indebtedness in an amount not to exceed the maximum principal amount of \$20,000,000 incurred in favour of Reiser (Canada) Co. and any Affiliate thereof;
 - (viii) Purchase Money Indebtedness incurred in favour of third parties other than Reiser (Canada) Co. or any Affiliate thereof in an aggregate amount not to exceed the maximum principal amount of \$5,000,000;
 - (ix) Subordinated Debt not to exceed \$10,000,000;
 - (x) credit card liabilities and any global payment transfer systems incurred after the Closing Date in an aggregate outstanding amount for all such Credit Parties combined not exceeding \$1,000,000; and
 - (xi) Indebtedness from time to time consented to by the Lender in writing (subject to any conditions required by the Lender);
- (c) such Credit Party shall not enter into any lending, borrowing or other commercial transaction with any of its employees, directors, Affiliates other than any other Credit Party and other than loans or advances to employees in the ordinary course of business in an aggregate outstanding amount not exceeding the Minimum Actionable Amount;
- (d) such Credit Party shall not make any changes in any of its business objectives, purposes, or operations which could reasonably be expected to adversely affect repayment of the Obligations or could reasonably be expected to have a Material Adverse Effect, or engage in any business other than that presently engaged in (or any business ancillary thereto) or proposed to be engaged in as set forth in the Projections delivered to Lender as of the Closing Date, except as permitted by Section 5.2(g) below, or amend its charter or by-laws or other organizational documents;
- (e) such Credit Party shall not create or permit any Lien on any of its properties or assets, except for Permitted Encumbrances;
- (f) such Credit Party shall not sell, transfer, convey, assign or otherwise dispose of any of its assets or properties, including its Accounts or any Shares or engage in any sale-leaseback, synthetic lease or similar transaction (provided, that the foregoing shall not in any event prohibit the disposition of (i) Inventory in the ordinary course of business, (ii) property between Credit Parties (provided the Lender's Lien therein is not adversely impacted), (iii) worn-out, obsolete, surplus, or unnecessary Equipment which is not Eligible Equipment, (iv) dispositions of assets or properties the fair market value of which does not exceed \$1,000,000 in the aggregate in any fiscal year and the net proceeds of which are (a) reinvested in the business of Credit Parties within sixty (60) days of receipt thereof or (b) applied as a permanent prepayment of the Term Loan (or if the Term Loan has been fully repaid, the Revolving Credit Loan) unless a Default or Event of Default has occurred and is continuing or (v) any assets or properties as consented to by the Lender from time to time);



- (g) such Credit Party shall not change its name, chief executive office, corporate offices, warehouses or other Collateral locations, or location of its records concerning the Collateral, or acquire, lease or use any real estate after the Closing Date without such Person, in each instance, giving thirty (30) days prior written notice thereof to Lender and taking all actions deemed necessary or appropriate by Lender to continuously protect and perfect Lender's Liens upon the Collateral;
- (h) such Credit Party shall not establish or permit to exist any depository or other bank account of any kind with any financial institution (other than the accounts set forth on Attachment 1 to Schedule C) without Lender's prior written consent;
- (i) such Credit Party shall not make or permit any Restricted Payment other than a Permitted Restricted Payment;
- (j) such Credit Party shall not cause or permit any member of the ERISA Group to:
 - (i) fail to satisfy the minimum funding requirements of ERISA and the Code with respect to any Plan;
 - (ii) request a minimum funding waiver from the U.S. Internal Revenue Service with respect to any Plan;
 - (iii) engage in a Prohibited Transaction with any Plan, Benefit Arrangement or Multiemployer Plan;
 - (iv) permit the aggregate actuarial present value of all benefit liabilities (whether or not vested) under each Plan, determined on a plan termination basis, as disclosed in the most recent actuarial report completed with respect to such Plan, to materially exceed, as of any actuarial valuation date, the fair market value of the assets of such Plan;
 - (v) fail to make when due any contribution to any Multiemployer Plan that any Credit Party or any member of the ERISA Group may be required to make under any agreement relating to such Multiemployer Plan, or any Applicable Law pertaining thereto;
 - (vi) withdraw (completely or partially) from any Multiemployer Plan or withdraw (or be deemed under Section 4062(e) of ERISA to withdraw) from any Multiple Employer Plan, where any such withdrawal is likely to result in a material liability of any Credit Party or any member of the ERISA Group;
 - (vii) terminate, or institute proceedings to terminate, any Plan, where such termination is likely to result in a material liability to any Credit Party or any member of the ERISA Group;
 - (viii) make any amendment to any Plan with respect to which security is required under Section 307 of ERISA (or, for plan years beginning after 2007, Section 206(g)(5) of ERISA); or
 - (ix) fail to give any and all material notices and make all material disclosures and governmental filings required under ERISA or the Code; and
- (k) no Credit Party shall request any Loan, and each Credit Party shall not use, and shall ensure that its subsidiaries and Affiliates, and its or their respective directors, officers, employees and agents not use, the proceeds of any Loan, directly or indirectly; (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws;



(ii) to fund, finance or facilitate any activities, business or transaction of or with any Sanctioned Person, or (iii) in any other manner that would result in the material violation of any Sanctions applicable to any party hereto.

SECTION 6 – LENDER'S RIGHTS

6.1 Lender's Rights

- (a) Lender may: (i) at any time provided notice is given to Borrower, in Lender's own name, or, from and after the occurrence of and during the continuance of a Default or Event of Default, in the name of Borrower, communicate with Account Debtors, parties to Contracts, and obligors in respect of Instruments, Chattel Paper or other Collateral to verify to Lender's satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper or other Collateral; and (ii) at any time with prior notice to Borrower or any other Credit Party, and at any time after the occurrence of and during the continuance of a Default or Event of Default, without such prior notice, notify Account Debtors, parties to Contracts, and obligors in respect of Chattel Paper, Instruments, or other Collateral that the Collateral has been assigned to or is subject to Liens in favour of Lender and that payments shall be made directly to Lender. Upon the request of Lender, Borrower shall so notify such Account Debtors, parties to Contracts, and obligors in respect of Instruments, Chattel Paper or other Collateral. Upon the occurrence and during the continuance of an Event of Default, Borrower hereby constitutes Lender or Lender's designee as Borrower's legal attorney, agent and mandatary with power to endorse Borrower's name upon any notes, acceptance drafts, money orders or other evidences of payment or Collateral.
- (b) Borrower shall remain liable under each Contract, Instrument and License to observe and perform all the conditions and obligations to be observed and performed by it thereunder, and Lender shall have no obligation or liability whatsoever to any Person under any Contract, Instrument or License (between Borrower or any other Credit Party and any Person other than Lender) by reason of or arising out of the execution, delivery or performance of this Agreement or other Loan Documents, and Lender shall not be required or obligated in any manner: (i) to perform or fulfill any of the obligations of Borrower or the other Credit Parties; (ii) to make any payment or inquiry; or (iii) to take any action of any kind to collect, compromise or enforce any performance or the payment of any amounts which may have been assigned to it and/or which is the object of any Liens in favour or to which it may be entitled at any time or times under or pursuant to any Contract, Instrument or License.
- (c) Borrower and each other Credit Party shall:
- (i) provide Lender with access to each owned, leased, or controlled property during normal business hours upon reasonable (and in any event not less than 24 hours) prior notice to allow Lender to verify the existence, state and value of the Collateral, provided that if a Default or Event of Default shall have occurred and be continuing, no such notice shall be required;
 - (ii) provide access to any of its officers, employees and agents (provided that Borrower's CFO shall be notified of any such communications and the nature thereof);
 - (iii) permit Lender and any of its officers, employees and agents to inspect, audit and make extracts and copies (or take originals if reasonably necessary) from all of Borrower's and such Credit Party's Books and Records; and
 - (iv) permit Lender to inspect, review, verify, evaluate and make physical verifications and appraisals of the Inventory and other Collateral in any manner and through



any medium that Lender, acting reasonably, considers necessary or advisable (a "Field Examination"), and Borrower and such Credit Party agree to render to Lender, at Borrower's and such Credit Party's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. Without limiting the generality of the foregoing, Lender shall be entitled to conduct not more than four (4) Field Examinations per year in respect of each Credit Party Facility, two (2) property, plant and equipment appraisal in respect of each Credit Party Facility per year (which shall be required prior to any Advances based on In Place Appraised Value), and two (2) inventory appraisals per year, provided that there shall be no limit on the number of Field Examinations or inventory appraisals if an Event of Default has occurred and is continuing. For certainty, Borrower may, at its own expense, conduct a property, plant and equipment appraisal in respect of each of Credit Party Facility using a Lender-approved appraiser at any time from time to time for the purposes of determining the Borrowing Base.

- (d) After the occurrence and during the continuance of a Default, Borrower, at its own expense, shall cause its auditors or any appraiser selected by Lender to deliver to Lender the results of any physical verifications of all or any portion of the Inventory made or observed by such auditors or appraisers when and if such verification is conducted. Lender shall be permitted to observe and consult with Borrower's accountants or appraisers in the performance of these tasks.

SECTION 7 – EVENTS OF DEFAULT, RIGHTS AND REMEDIES

7.1 Events of Default

The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" hereunder which shall be deemed to be continuing unless and until waived in writing by Lender in accordance with Section 8.3:

- (a) Borrower shall fail to make any payment in respect of any Obligations when due and payable or declared due and payable, provided that in the case of the failure to pay Obligations other than any principal amount under either Loan, such default continues for a period of three (3) Business Days; or
- (b) (i) any default occurs in the observance or performance of any of the covenants or agreements contained in any of Sections 3.17, 4.1, 4.2, 5.1, or 5.2 of this Agreement, (ii) any reporting error or default occurs in the observance or performance of any of the covenants or agreements contained in Section 3.18 and such default shall continue for five (5) days or more after the occurrence thereof; or (iii) any default occurs in the observance or performance of any of the other covenants or agreements contained in any other Section of this Agreement or any other Loan Document to which any Credit Party and Lender are party and such default shall continue for fifteen (15) days or more after the occurrence thereof; or
- (c) (A) any Material Contract terminates, expires or ceases to be legal, valid, binding and enforceable other than at the end of its term, or to the extent replaced by an agreement on terms not substantially less favourable to the Credit Party or (B) if a Credit Party breaches a Material Contract or (C) an event of default shall occur under any Contractual Obligation of Borrower or any other Credit Party (other than this Agreement and the other Loan Documents), and such breach or event of default under the foregoing clauses (B) and (C) either: (i) involves the failure by a Credit Party to make any payment (whether or not such payment is blocked pursuant to the terms of an intercreditor agreement or otherwise), whether of principal, interest or otherwise, and whether due by scheduled maturity, required prepayment, acceleration, demand or otherwise, in respect of any Indebtedness (other than the Obligations) of such Person in an aggregate amount exceeding the Minimum Actionable Amount or which results in the acceleration of any debt exceeding the

Minimum Actionable Amount unless subject to a Permitted Contest; or (ii) causes (or permits any holder of such Indebtedness or a trustee to cause) such Indebtedness, or a portion thereof, in an aggregate amount exceeding the Minimum Actionable Amount to become due prior to its stated maturity or prior to its regularly scheduled date of payment; or

- (d) any representation or warranty in this Agreement or any other Loan Document, or in any written statement pursuant hereto or thereto, or in any report, financial statement or certificate made or delivered to Lender by Borrower or any other Credit Party shall be untrue or incorrect as of the date when made or deemed made, regardless of whether such breach involves a representation or warranty with respect to a Credit Party that has not signed this Agreement, and such representation or warranty remains untrue or incorrect for a period of ten (10) days after the date on which such representation or warranty is initially made or deemed to be made; or
- (e) there shall be commenced against Borrower or any other Credit Party any litigation seeking or effecting any seizure (whether in execution or otherwise), attachment, execution, distraint or similar process against all or any substantial part of its assets which remain unreleased or undismissed for thirty (30) consecutive days, unless within such thirty (30) days, any seizure or taking possession of any property of such Credit Party shall have occurred; or any creditor (other than Lender) takes possession of all or any substantial part of the assets of Borrower or any other Credit Party; or any creditor (other than Lender) enforces or gives notice of its intention to enforce or gives prior notice with respect to the exercise of any of its hypothecary or other rights under any Liens granted to it by or over any assets of Borrower or any other Credit Party; or any custodian, receiver, interim receiver, liquidator, assignee, trustee, monitor, sequestrator or similar official is appointed in respect of Borrower or any other Credit Party or takes possession of all or any substantial part of the assets of Borrower or any other Credit Party or Borrower or any other Credit Party commits an "act of bankruptcy" (as defined under the relevant provisions of the BIA), becomes insolvent or shall have concealed, removed or permitted to be concealed or removed, any part of its property with intent to hinder, delay or defraud any of its creditors or make or suffer a transfer of any of its property or the incurring of an obligation which may be fraudulent, reviewable or the object of any proceedings under any applicable bankruptcy or insolvency legislation, creditor protection legislation or other similar Applicable Laws; or
- (f) a petition, proposal, notice of intention to file a proposal, case or proceeding shall have been commenced involuntarily against Borrower or any other Credit Party in a court having competent jurisdiction seeking a declaration, judgment, decree, order or other relief: (i) under the BIA, CCAA or any other applicable federal, provincial, state or foreign bankruptcy or other Applicable Law providing for suspension of operations or reorganization of debts or relief of debtors, and seeking either (x) the appointment of a custodian, receiver, interim receiver, liquidator, assignee, trustee, monitor or sequestrator (or similar official) for such Person or of any substantial part of its properties, or (y) the reorganization or winding-up or liquidation of the affairs of any such Person, and such proposal, case or proceeding shall remain undismissed or unstayed for thirty (30) consecutive days or such court shall enter a declaration, judgment, decree or order granting the relief sought in such case or proceeding; or (ii) invalidating or denying any Person's right, power, or competence to enter into or perform any of its obligations under any Loan Document or invalidating or denying the validity or enforceability of this Agreement or any other Loan Document or any action taken hereunder or thereunder; or
- (g) Borrower or any other Credit Party shall: (i) commence any petition, proposal, notice of intention to file a proposal, case, proceeding or other action under any existing or future Applicable Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, suspension of operations, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it or seeking appointment of a custodian,



receiver, liquidator, assignee, trustee or sequestrator (or similar official) for it or any substantial part of its properties; (ii) make a general assignment for the benefit of creditors; (iii) consent to or take any action in furtherance of, or, indicating its consent to, approval of, or acquiescence in, any of the acts set forth in paragraphs (e) or (f) of this Section 7.1 or clauses (i) or (ii) of this paragraph (g); or (iv) shall admit in writing its inability to, or shall be generally unable to, pay its debts as such debts become due; or

- (h) a final judgment or judgments for the payment of money in excess of the Minimum Actionable Amount in the aggregate shall be rendered against Borrower or any other Credit Party, unless the same shall be: (i) fully covered by insurance and the issuer(s) of the applicable insurance policies shall have acknowledged full coverage in writing within fifteen (15) days of judgment; or (ii) vacated, stayed, bonded, paid or discharged within a period of fifteen (15) days from the date of such judgment, unless within such fifteen (15) days, any seizure or taking possession of the property of such Credit Party shall have occurred; or
- (i) any other event shall have occurred which has had or could reasonably be expected to have a Material Adverse Effect; or
- (j) any material provision of any Loan Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms, or any Lien granted, or intended by the Loan Documents to be granted, to Lender shall cease to be a valid and perfected Lien having the first priority (or a lesser priority if expressly permitted in the Loan Documents) in any of the Collateral (or any Credit Party shall so assert any of the foregoing); or
- (k) a Change of Control shall have occurred; or
- (l) a Pension Event shall have occurred that, in the opinion of Lender, could give rise to a Material Adverse Effect or could result in any Lien or any liability on the part of any Credit Party in either case in an aggregate amount exceeding the Minimum Actionable Amount.

7.2 Remedies

- (a) If any Default shall have occurred and be continuing, then Lender may terminate or suspend its obligation to make further Advances and to incur additional other Obligations. In addition, if any Event of Default shall have occurred and be continuing, Lender may, without notice, take any one or more of the following actions: (i) declare all or any portion of the Obligations to be forthwith due and payable, whereupon such Obligations shall become and be due and payable; or (ii) exercise any rights and remedies provided to Lender under the Loan Documents or at law or equity, including all remedies provided under the PPSA; provided, that upon the occurrence of any Event of Default specified in Sections 7.1(e), 7.1(f) or 7.1(g), the Obligations shall become immediately due and payable (and any obligation of Lender to make further Loans, if not previously terminated, shall immediately be terminated) without declaration, notice or demand by Lender.
- (b) Without limiting the generality of the foregoing, Borrower and each other Credit Party executing this Agreement expressly agrees that upon the occurrence of any Event of Default, Lender may collect, receive, assemble, process, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Lender shall have the right upon any such public sale, to the extent permitted by Applicable Law, to purchase for the benefit of Lender the whole or any part of said Collateral so sold, free of any right of equity of redemption, which right Borrower and each other Credit Party executing this Agreement hereby releases. Such sales may be adjourned or continued from time to time with or without notice. Lender

shall have the right to conduct such sales on any Credit Party's premises or elsewhere and shall have the right to use any Credit Party's premises without rent or other charge for such sales or other action with respect to the Collateral for such time as Lender deems necessary or advisable.

- (c) Upon the occurrence and during the continuance of an Event of Default and at Lender's request, Borrower and each other Credit Party executing this Agreement further agrees to assemble the Collateral and make it available to Lender at places which Lender shall reasonably select, whether at its premises or elsewhere. Until Lender is able to effect a sale, lease, or other disposition of the Collateral, Lender shall have the right to complete, assemble, use or operate the Collateral or any part thereof, to the extent that Lender deems appropriate, for the purpose of preserving such Collateral or its value or for any other purpose. Lender shall have no obligation to any Credit Party to maintain or preserve the rights of any Credit Party as against third parties with respect to any Collateral while such Collateral is in the possession of Lender. Lender may, if it so elects, seek the appointment of a receiver or receiver manager to take possession of any Collateral and to enforce any of Lender's remedies with respect thereto without prior notice or hearing. To the maximum extent permitted by Applicable Law, Borrower and each other Credit Party executing this Agreement waives all claims, damages, and demands against Lender, its Affiliates, agents, and the officers and employees of any of them arising out of the repossession, retention or sale of any Collateral except such as are determined in a final judgment by a court of competent jurisdiction to have arisen solely out of the gross negligence or wilful misconduct of such Person. Borrower and each other Credit Party executing this Agreement agrees that ten (10) days prior notice by Lender to such Credit Party of the time and place of any public sale or of the time after which a private sale may take place is reasonable notification of such matters. Borrower and each other Credit Party shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Lender is entitled.
- (d) Lender's rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies which Lender may have under any Loan Document or at law or in equity. Recourse to the Collateral shall not be required. All provisions of this Agreement are intended to be subject to all applicable mandatory provisions of Applicable Law that may be controlling and to be limited, to the extent necessary, so that they do not render this Agreement invalid or unenforceable, in whole or in part.

7.3 Waivers by Credit Parties

Except as otherwise provided for in this Agreement and to the fullest extent permitted by Applicable Law, Borrower and each other Credit Party executing this Agreement waives: (a) presentment, demand and protest, and notice of presentment, dishonour, intent to accelerate, acceleration, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all Loan Documents, commercial paper, Accounts, Contracts, Documents, Instruments, Chattel Paper and guarantees at any time held by Lender on which such Credit Party may in any way be liable, and hereby ratifies and confirms whatever Lender may do in this regard; (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, any Collateral or any bond or security which might be required by any court prior to allowing Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws. Borrower and each other Credit Party executing this Agreement acknowledges that it has been advised by counsel of its choices and decisions with respect to this Agreement, the other Loan Documents and the transactions evidenced hereby and thereby and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.

7.4 Proceeds

The Proceeds of any sale, disposition or other realization upon any Collateral shall be applied by Lender upon receipt to the Obligations in such order as Lender may deem advisable in its sole discretion and after



the indefeasible payment and satisfaction in full in cash of all of the Obligations, and after the payment by Lender of any other amount required by any provision of Applicable Law, the surplus, if any, shall be paid to Borrower or its representatives or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 8 – MISCELLANEOUS

8.1 Complete Agreement; Modification of Agreement

This Agreement and the other Loan Documents constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, supersede all prior agreements, commitments, understandings or inducements (oral or written, expressed or implied). No Loan Document may be modified, altered or amended except by a written agreement signed by Lender and each other Credit Party that is a party to such Loan Document. Borrower and each other Credit Party executing this Agreement, or any other Loan Document shall have all duties and obligations under this Agreement and such other Loan Documents from the date of its execution and delivery, regardless of whether the initial Loan has been funded at that time.

8.2 Expenses

Borrower agrees to pay or reimburse Lender for all reasonable out-of-pocket costs and expenses (including the fees and expenses of all counsel, advisors, consultants (including environmental and management consultants), field examiners, appraisers and auditors retained in connection therewith), incurred in connection with: (a) the preparation, negotiation, execution, delivery, performance and enforcement of the Loan Documents and the preservation of any rights thereunder; (b) collection, including deficiency collections; (c) the forwarding to Borrower or any other Person on behalf of Borrower by Lender of the proceeds of any Loan; (d) any amendment, waiver or other modification with respect to any Loan Document or advice in connection with the administration of the Loans or the rights thereunder; (e) any litigation, dispute, suit, proceeding or action (whether instituted by or between any combination of Lender, Borrower or any other Person), and an appeal or review thereof, in any way relating to the Collateral, any Loan Document, or any action taken or any other agreements to be executed or delivered in connection therewith, whether as a party, witness or otherwise; and (f) any effort to: (i) monitor the Loans; (ii) evaluate, observe or assess Borrower or any other Credit Party or the affairs of such Person; and (iii) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of the Collateral. Without limiting the foregoing, Borrower will reimburse Lender for the costs (including reasonable out-of-pocket expenses plus applicable taxes) related to Field Examinations and inventory appraisals.

8.3 Non-North American Equipment

At any time from time to time prior to the Termination Date, the Borrower may request that the Lender agree to include Non-North American Equipment in the calculation of the Term Loan Borrowing Base and the Lender agrees that, if the inclusion of Non-North American Equipment in the Borrowing Base is determined by the Lender to be commercially reasonable, it shall negotiate in good faith with the Borrower an amendment to this Agreement (including, without limitation, the provisions hereof relating to the calculation of the Borrowing Base, the characteristics of Eligible Equipment, the Loan Documents required to effect Liens on such Non-North American Equipment and any other provision the Lender reasonably requires) on terms satisfactory to it to give effect to such request.

8.4 No Waiver

Neither Lender's failure, at any time, to require strict performance by Borrower or any other Credit Party of any provision of any Loan Document, nor Lender's failure to exercise, nor any delay in exercising, any right, power or privilege hereunder, shall operate as a waiver thereof or waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or future exercise thereof or the exercise of any other right, power or privilege. Any suspension or waiver of a Default or other provision under the Loan Documents shall not suspend, waive or affect any other Default or other provision under any Loan



Document, and shall not be construed as a bar to any right or remedy which Lender would otherwise have had on any future occasion. None of the undertakings, indemnities, agreements, warranties, covenants and representations of Borrower or any other Credit Party to Lender contained in any Loan Document and no Default by Borrower or any other Credit Party under any Loan Document shall be deemed to have been suspended or waived by Lender, unless such waiver or suspension is by an instrument in writing signed by an officer or other authorized employee of Lender and directed to Borrower specifying such suspension or waiver (and then such waiver shall be effective only to the extent therein expressly set forth), and Lender shall not, by any act (other than execution of a formal written waiver), delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder.

8.5 Severability; Section Titles

Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of any Loan Document shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of such Loan Document. Except as otherwise expressly provided for in the Loan Documents, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under the Loan Documents shall in any way affect or impair the Obligations, duties, covenants, representations and warranties, indemnities, and liabilities of Borrower or any other Credit Party or the rights of Lender relating to any unpaid Obligation (due or not due, liquidated, contingent or unliquidated), or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is not required until after the Commitment Termination Date, all of which shall not terminate or expire, but rather shall survive such termination or cancellation and shall continue in full force and effect until the Termination Date; provided, that all indemnity obligations of the Credit Parties under the Loan Documents shall survive the Termination Date. The Section titles contained in any Loan Document are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

8.6 Authorized Signature

Until Lender shall be notified in writing by Borrower or any other Credit Party to the contrary, the signature upon any document or instrument delivered pursuant hereto and believed by Lender or any of Lender's officers, agents, or employees to be that of a Credit Party or of an officer of Borrower or such other Credit Party shall bind Borrower or such other Credit Party and be deemed to be the act of Borrower or such other Credit Party affixed pursuant to and in accordance with resolutions duly adopted by Borrower's or such other Credit Party's board of directors, and Lender shall be entitled to assume the authority of each signature and authority of the person whose signature it is or appears to be unless the person acting in reliance thereon shall have actual knowledge to the contrary.

8.7 Notices

Except as otherwise provided herein, whenever any notice, demand, request or other communication shall or may be given to or served upon any party by any other party, or whenever any party desires to give or serve upon any other party any communication with respect to this Agreement, each such communication shall be in writing and shall be deemed to have been validly served, given or delivered: (a) upon the earlier of actual receipt (or refusal thereof) and three (3) Business Days after deposit in the mail, registered or certified mail, return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by telecopy, e-mail or other electronic transmission (with such telecopy, e-mail promptly confirmed by delivery of a copy by personal delivery or mail as otherwise provided in this Section 8.7); (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when hand-delivered, all of which shall be addressed to the party to be notified and sent to the address indicated in Schedule B or to such other address as may be substituted by notice given as herein provided. Failure or delay in delivering copies of any such communication to any Person (other than Borrower or Lender) designated in Schedule B to receive copies shall in no way adversely affect the effectiveness of such communication.

8.8 Counterparts



This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by a pdf attachment to an e-mail or by DocuSign or other similar electronic execution system) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

8.9 Assignments

This Agreement shall be binding upon and inure to the benefit of Lender, the Credit Parties and their respective heirs, executors, administrators, other legal representatives, successors and assigns. Neither this Agreement nor any interest in this Agreement may be assigned by Borrower or any other Credit Party without the prior written consent of Lender. Lender may assign or transfer or grant participations in its rights or obligations under this Agreement in whole or in part at any time without notice to or consent of the Credit Parties. Lender may disclose to potential or actual transferees or assignees or participants, any information regarding the Credit Parties as Lender considers necessary and the Credit Parties consent to such disclosure.

8.10 Time of the Essence

Time is of the essence for performance of the Obligations under the Loan Documents.

8.11 Governing Law

Except for Loan Documents expressed to be governed by the laws of another jurisdiction, the Loan Documents and the obligations arising under the Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the Province of **British Columbia** applicable to contracts made and performed in such province, without regard to the principles thereof regarding conflicts of laws, and any Applicable Laws.

8.12 Submission to Jurisdiction; Waiver of Jury Trial

- (a) Borrower and each other Credit Party executing this Agreement hereby consent and agree that the courts located in British Columbia shall have exclusive jurisdiction to hear and determine any claims or disputes between Borrower and such Credit Party and Lender pertaining to this Agreement or any of the other Loan Documents or to any matter arising out of or related to this Agreement or any of the other Loan Documents; that nothing in this Agreement shall be deemed or operate to preclude Lender from bringing suit or taking other legal action in any other jurisdiction to collect the Obligations, to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favour of Lender. Borrower and each other Credit Party executing this Agreement expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower and such Credit Party hereby waive any objection which they may have based upon lack of personal jurisdiction, improper venue or forum non conveniens. Borrower and each other Credit Party executing this Agreement hereby waive personal service of the summons, complaint and other process issued in any such action or suit and agree that service of such summons, complaint and other process may be made by registered or certified mail addressed to Borrower or such Credit Party at the address set forth in Schedule B of this Agreement and that service so made shall be deemed completed upon the earlier of Borrower's or such Credit Party's actual receipt thereof (or refusal) or three (3) Business Days after deposit in the mail, proper postage prepaid.
- (b) THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN LENDER, BORROWER AND ANY CREDIT PARTY ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.



8.13 Press Releases

Neither any Credit Party nor any of its Affiliates will in the future issue any press release or other public disclosure using the name of Waygar Capital Inc. or its affiliates or referring to this Agreement or the other Loan Documents without at least two (2) Business Days' prior notice to Lender and without the prior written consent of Lender unless (and only to the extent that) such Credit Party or Affiliate is required to do so under Applicable Law and then, in any event, such Credit Party or Affiliate will consult with Lender before issuing such press release or other public disclosure. Each Credit Party consents to the publication (in the ordinary course) by Lender of customary advertising material relating to the financing transactions contemplated by this Agreement using such Credit Party's name, product photographs, logos or trademarks. Such consent shall remain effective until revoked by such Credit Party in writing to Lender.

8.14 Reinstatement

This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time payment of all or any part of the Obligations is rescinded or must otherwise be returned or restored by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or any other Credit Party, or otherwise, all as though such payments had not been made.

8.15 Illegality

In the event that Lender determines that, in consequence of any change in any Requirement of Law or any policy applicable to it that it is illegal, unlawful or prohibited for it to make or continue to make any Loans or any other Obligations hereunder, it shall have the right to immediately terminate such Loans or other Obligations as it shall determine necessary or appropriate and to terminate any commitment to make or continue to make such Loans or other Obligations and/or to terminate its commitments hereunder and any of the Loan Documents as it shall determine necessary or appropriate.

8.16 Set Off and Survival

Without limitation to any other rights or remedies of Lender, Lender shall have the right at all times without notice to the Credit Parties (which notice is hereby waived to the maximum extent permitted by Applicable Law) to set off or apply against any Obligations now and hereafter owing (whether matured or contingent) any deposits at any time held by, or other indebtedness at any time owing by, Lender or any of its Affiliates to or for the credit or account of any Credit Party. All indemnities hereunder or under the other Loan Documents shall survive any termination of the Loan Documents unless expressly released in writing.

8.17 Increased Costs

If, by reason of: (a) any change in any Requirement of Law (including any change by way of imposition or increase of statutory reserves or other reserve requirements) or interpretation thereof; or (b) the compliance with any guideline or request from any government authority or other Person exercising control over lenders in Canada generally (whether or not having the force of law):

- (i) Lender shall be subject to any Tax with respect to any Loan or a change shall result in the basis of taxation of any payment to Lender with respect to its obligation to make or continue any Loan; or
- (ii) any reserve (including any imposed by the board of governors or any other applicable Governmental Authority), special deposits or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender shall be imposed or deemed applicable, or any other condition affecting Lender's obligation to make any Loans, shall be imposed on Lender,

and as a result there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Loans (except to the extent already included in determination of the rate of interest), or there shall be a reduction in the amount receivable by Lender, then Lender shall promptly notify Borrower of such



event, and Borrower shall, within five (5) Business Days following demand therefor, pay Lender the amount of such increased costs or reduced amounts.

If Lender determines that, because of circumstances described above or any other circumstances arising hereafter affecting such Lender the applicable interest rate will not adequately and fairly reflect the cost to Lender of funding Loans, then (A) Lender shall promptly notify Borrower of such event; and (B) Lender's obligation to fund Loans, shall be immediately suspended, until each condition giving rise to such suspension no longer exists.

Notwithstanding anything herein to the contrary, Borrower shall only be required to compensate Lender in respect of any such increased costs or reduction in the amount received or receivable by Lender to the extent Borrower has received a written request for such compensation within ninety (90) days after Lender has received actual notice of the occurrence of the relevant circumstance giving rise to such increased costs or reduction in the amount received or receivable by Lender.

8.18 Conflict

If any provision of this Agreement conflicts with and is incapable of being construed together with any other Loan Document, then the provisions of this Agreement shall prevail to the extent necessary to remove such conflict. If there is a representation, warranty, covenant, agreement or event of default contained in any Loan Document which is not contained herein, or vice versa, such additional provision shall not constitute a conflict.

8.19 Interpretation

- (a) Any accounting term used in this Agreement or the other Loan Documents shall have, unless otherwise specifically provided therein, the meaning customarily given such term in accordance with GAAP, and all financial computations thereunder shall be computed, unless otherwise specifically provided therein, in accordance with GAAP consistently applied; provided, that all financial covenants and calculations in the Loan Documents shall be made in accordance with GAAP as in effect on the Closing Date unless Borrower and Lender shall otherwise specifically agree in writing. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP" shall in no way be construed to limit the foregoing.
- (b) All other undefined terms contained in this Agreement or the other Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the PPSA. The words "herein," "hereof" and "hereunder" or other words of similar import refer to this Agreement as a whole, including the exhibits and schedules thereto, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement.
- (c) For purposes of this Agreement and the other Loan Documents, the following additional rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural; (ii) the term "or" is not exclusive; (iii) the term "including" (or any form thereof) shall not be limiting or exclusive; (iv) all references to statutes, acts and related regulations shall include any amendments of same and any successor statutes and regulations; (v) all references to any instruments or agreements, including references to any of the Loan Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof; (vi) the specification of any Lien as a Permitted Encumbrance shall not constitute any postponement or subordination (or agreement to do so) of Lender's Liens; and (vii) all references to "\$" dollars or amounts of currency shall unless otherwise expressly provided mean lawful currency of Canada.



- (d) It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Il est la volonté expresse des parties que cette convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

SECTION 9 – SPECIAL PROVISIONS

9.1 Interest Act (Canada)

For the purposes of this Agreement, whenever interest or a fee to be paid hereunder is to be calculated on the basis of a year of three hundred and sixty (360) days, or any other period of time that is less than a calendar year, the yearly rate of interest or the yearly fee to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either three hundred and sixty (360) or such other period of time, as the case may be.

9.2 Excess Resulting from Exchange Rate Change

If at any time following one or more fluctuations in the exchange rate of the Canadian Dollar against the US Dollar (a) the Obligations exceed any limitations hereunder or (b) any part of the Obligations exceeds any limit set forth herein for such Obligations, Borrower shall within three (3) Business Days or, if an Event of Default has occurred and is continuing, immediately: (i) make the necessary payments or repayments to reduce such Obligations to an amount necessary to eliminate such excess; or (ii) maintain or cause to be maintained with Lender deposits in an amount equal to or greater than the amount of such excess, such deposits to be maintained in such form and upon such terms as are acceptable to Lender in its reasonable discretion. Without in any way limiting the foregoing provisions, Lender shall, weekly or more frequently in Lender's sole discretion, make the necessary exchange rate calculations (based upon the rate of exchange established by Lender as at noon on the date of determination) to determine whether any such excess exists on such date.

9.3 Judgment Currency

If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "**Original Currency**") into another currency (the "**Second Currency**"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, Lender could purchase in the Toronto foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Borrower agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date Lender receives payment of any sum so adjudged to be due hereunder in the Second Currency, Lender may, in accordance with normal banking procedures, purchase, in Toronto foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, Borrower agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify Lender against such loss. The term "rate of exchange" in this Section means the spot rate at which Lender, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

[Signature Page Follows]



IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

BORROWER:

THE VERY GOOD FOOD COMPANY INC.

DocuSigned by:
 Per: Kamini Hitkari
 Name: Kamini Hitkari
 Title: Chief Financial Officer and
 Corporate Secretary

GUARANTORS:

1218169 B.C. LTD.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

1218158 B.C. LTD.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

THE VERY GOOD BUTCHERS INC.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary

THE CULTURED NUT INC.

Per: _____
 Name: Mitchell Scott
 Title: President, Chief Executive Officer
 and Corporate Secretary



IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

BORROWER:

THE VERY GOOD FOOD COMPANY INC.

Per: _____
Name: Kamini Hitkari
Title: Chief Financial Officer and
Corporate Secretary

GUARANTORS:

1218169 B.C. LTD.

DocuSigned by:
Mitchell Scott
Per: _____
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

1218158 B.C. LTD.

DocuSigned by:
Mitchell Scott
Per: _____
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

THE VERY GOOD BUTCHERS INC.

DocuSigned by:
Mitchell Scott
Per: _____
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

THE CULTURED NUT INC.

DocuSigned by:
Mitchell Scott
Per: _____
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary



LLOYD JAMES MARKETING INC.

Per: *Mitchell Scott*
BB30E6458B48450

Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

VGFC HOLDINGS LLC

Per: *Mitchell Scott*
BB30E6458B48450

Name: Mitchell Scott
Title: Manager

LENDER:

**WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

Per: _____
Name:
Title:



LLOYD-JAMES MARKETING INC.

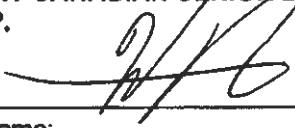
Per: _____
Name:
Title:

VGFC HOLDINGS LLC

Per: _____
Name:
Title:

LENDER:

**WAYGAR CAPITAL INC., as agent for
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

Per:  _____
Name:
Title: **Wayne R. Ehgoetz
President & CEO**



SCHEDULE A

DEFINITIONS

Capitalized terms used in this Agreement and the other Loan Documents shall have (unless otherwise provided elsewhere in this Agreement or in the other Loan Documents) the following respective meanings:

"Account Debtor" shall mean any Person who is or may become obligated with respect to, or on account of, an Account.

"Accounts" shall mean all "accounts," as such term is defined in the PPSA and includes any right of any Person to payment for goods sold or leased or for services rendered, whether or not it has been earned by performance, now owned or hereafter acquired by any Person, including: (a) all accounts receivable, other receivables, book debts and other forms of obligations whether arising out of goods sold or leased or services rendered or from any other transaction whatsoever (including any contract rights); (b) all of such Person's rights in, to and under all purchase orders or receipts for goods or services; (c) all of such Person's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation, stoppage in transit, repossession rights under any Applicable Law including those under Section 81.1 of the BIA, and rights to returned, claimed or repossessed goods); (d) all monies due or to become due to such Person under all purchase orders and contracts for the sale or lease of goods or the performance of services or both by such Person or in connection with any other transaction (whether or not yet earned by performance on the part of such Person), including the right to receive the proceeds of said purchase orders and contracts; and (e) all collateral security and guarantees of any kind given by any other Person with respect to any of the foregoing.

"Activation Notice" shall have the meaning assigned it in Schedule C.

"Acquisition" shall mean, with respect to any Person, any purchase or other acquisition, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (a) any other Person (including any purchase or acquisition of such number of the issued and outstanding securities of, or such portion of Shares in, such other Person) such that such other Person becomes a Subsidiary of the purchaser or of any of its Affiliates, (b) all or substantially all of the Property of any other Person, or (c) all or any material portion of all of any division, business, or operation or undertaking of any other Person as a going concern.

"Advances" shall mean, collectively, Revolving Credit Advances and Term Loan Advances, and "Advance" shall mean any Revolving Credit Advance or Term Loan Advance.

"Affiliate" shall mean, with respect to a Person: (a) each other Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the Shares having ordinary voting power for the election of directors of such Person; (b) each other Person that controls, is controlled by or is under common control with such Person or any Affiliate of such Person; or (c) each of such Person's officers, directors (or person having a similar function), joint venturers and partners. For the purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Agreement including all appendices, exhibits or schedules attached or otherwise identified thereto, restatements and modifications and supplements thereto, and any appendices, exhibits or schedules to any of the foregoing, each as in effect at the time such reference becomes operative; provided, that except as specifically set forth in this Agreement, any reference to the Disclosure Schedules to this Agreement shall be deemed a reference to the Disclosure Schedules as in effect on the Closing Date or in a written amendment thereto executed by Borrower and Lender.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to a Credit Party or any of their subsidiaries from time to time concerning or relating to bribery or corruption.



“Anti-Money Laundering Laws” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to a Credit Party related to terrorism financing or money laundering, including any applicable provision of the Patriot Act.

“Applicable Laws” means, with respect to any Person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, state, municipal, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.

“Appraisal Fees” shall have the meaning assigned to it in Schedule D.

“Authorized Officer” shall mean the president, chief financial officer, chief executive officer or such other officer or signatory of Borrower (as may be appointed by corporate resolution, in writing) as is acceptable to Lender.

“Availability Reserves” shall have the meaning assigned to it in the definition of Borrowing Base.

“Benefit Arrangement” shall mean at any time an “employee benefit plan”, within the meaning of Section 3(3) of ERISA, which is neither a Plan nor a Multiemployer Plan and which is maintained, sponsored or otherwise contributed to by any member of the ERISA Group.

“BIA” shall mean the *Bankruptcy and Insolvency Act* (Canada), and any successor act or statute, as in effect from time to time or at any time.

“Blocked Account Banks” shall mean Royal Bank of Canada.

“Blocked Accounts” shall mean each of the bank accounts of the Borrower and each other Credit Party that will be established and maintained, at its sole expense, with the Blocked Account Banks into which the Borrower and each other Credit Party will promptly deposit, or direct, all proceeds or funds arising from its operations.

“Blocked Accounts Agreement” shall have the meaning assigned it in Schedule C.

“Books and Records” shall mean all books, records, board minutes, contracts, licenses, insurance policies, environmental audits, business plans, files, computer files, computer discs and other data and software storage and media devices, accounting books and records, financial statements (actual and pro forma), filings with Governmental Authorities and any and all records and instruments relating to the Collateral or Borrower’s or any other Credit Party’s business.

“Borrower” shall mean the Person identified as such in the preamble of this Agreement and includes its successors.

“Borrowing Availability” shall mean, at any time: (a) in the case of the Revolving Credit Loan, the lesser of: (i) the then current Maximum Amount applicable to the Revolving Credit Loan; and (ii) the Revolving Credit Loan Borrowing Base; and (b) in the case of the Term Loan, the lesser of: (i) the Maximum Amount applicable to the Term Loan; and (ii) the Term Loan Borrowing Base.

“Borrowing Base” shall mean at any time an amount equal to the sum at such time of:

(a) the lesser of:

(i) the sum of:

(A) eighty-five percent (85%) of Eligible Accounts (other than Eligible Investment Grade or Insured Accounts) and ninety percent (90%) of Eligible Investment Grade or Insured Accounts, plus



(B) the sum of: (1) eighty-five percent (85%) of the Net Orderly Liquidation Value of Eligible Inventory; plus, (2) without duplication of any amounts advanced pursuant to Subsection (a)(i)(B)(1), sixty-five percent (65%) of the lower of sale price or cost of Eligible Inventory, up to a maximum amount of \$3,000,000; and

(ii) the Maximum Amount applicable to the Revolving Credit Loan;

plus

(b) the lesser of:

(i) either: (A) eighty-five percent (85%) of the Net Orderly Liquidation Value of Eligible Equipment; or (B) after a Credit Party Facility has been completed and the Lender has agreed in writing, eighty-five percent (85%) of the In Place Appraised Value of the applicable Credit Party Facility (provided that, for certainty, any Equipment at the applicable Credit Party Facility shall no longer be considered Eligible Equipment for the purposes of this Subsection (b)(i)); and

(ii) the Maximum Amount applicable to the Term Loan,

less

(c) reserves (collectively, "**Availability Reserves**"), established by Lender from time to time in its good faith discretion, acting reasonably, for any amounts accrued or payable by the Credit Parties which under any Applicable Law, statute or regulation of any jurisdiction which may rank prior to or *pari passu* with any of Liens granted under the Loan Documents or otherwise in priority to any claim by Lender for payment or repayment of any amounts owing under this Agreement or the other Loan Documents, including, without limitation, (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) Plan contributions; (iv) amounts required to be withheld from payments to employees or other Persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee employment insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer employment insurance premiums; (v) federal goods and services tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes (except to the extent that any such taxes have been waived pursuant to settlement arrangements); (ix) rent, payments to warehouseman or bailees and other amounts due and payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable Lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the *Bankruptcy and Insolvency Act* (Canada); (xii) WEPPA Claims; and (xiii) a dilution reserve if the dilution rate in respect of Accounts is greater than 5%, with such dilution reserve being in an amount equal to the amount of dilution exceeding 5% until such time as that dilution is reduced, as determined by a Field Examination conducted by a third party acceptable to Lender.

"**Borrowing Base Certificate**" shall mean a certificate in the form of Exhibit C.

"**Business Day**" shall mean any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in Toronto, Ontario or Vancouver, British Columbia.

"**Canadian Dollar Interest Rate**" shall mean 9.95% per annum.

"**Canadian Dollars**", "**CAD\$**" or "**\$**" shall mean the lawful currency of Canada.



“Capital Expenditures” shall mean all payments or accruals (including Capital Lease Obligations) for any fixed assets or improvements or for replacements, substitutions or additions thereto, that have a useful life of more than one year and that are required to be capitalized under GAAP.

“Capital Lease” shall mean, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, either would be required to be classified and accounted for as a capital lease on a balance sheet of such Person or otherwise would be disclosed as such in a note to such balance sheet, other than, in the case of Borrower or any Credit Party, any such lease under which Borrower is the lessor.

“Capital Lease Obligation” shall mean, with respect to any Capital Lease, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet of such lessee in respect of such Capital Lease or otherwise be disclosed in a note to such balance sheet.

“Cash Coverage Ratio” shall mean the ratio of the following: (a) cash of the Credit Parties on hand as at the end of each Fiscal Quarter; to (b) (i) at the end of each Fiscal Quarter prior to the one (1) year anniversary of the Closing Date, Interest Expense of the Credit Parties during the most recent Fiscal Quarter multiplied by four (4), and (ii) at the end of each Fiscal Quarter from and after the one (1) year anniversary of the Closing Date, Interest Expense of the Credit Parties during for the immediately preceding four (4) Fiscal Quarter.

“CCAA” shall mean the *Companies’ Creditors Arrangement Act* (Canada) and any successor legislation thereto, as in effect from time to time or at any time.

“Change of Control” shall mean: (a) with respect to any Corporate Credit Party (other than the Borrower) on or after the Closing Date, any change to the legal or organizational structure of any Corporate Credit Party (other than the Borrower) or any change in the composition of its Shareholders as of the Closing Date shall occur which would result in the Borrower owning (directly or indirectly) less than 100% of any class of Shares of such Corporate Credit Party (other than the Borrower), or that any Person (or group of Persons acting in concert) shall otherwise acquire, directly or indirectly (including through Affiliates), the power to elect a majority of the board of directors of such Corporate Credit Party (other than the Borrower) or otherwise direct the management or affairs of such Corporate Credit Party (other than the Borrower) by obtaining proxies, entering into voting agreements or trusts, acquiring securities or otherwise; and (b) with respect to the Borrower, on or after the Closing Date, any change to the legal or organizational structure of the Borrower or any change in the composition of its Shareholders as of the Closing Date shall occur which would result in a Person owing 20% or more of any class of Shares of the Borrower, or that any Person (or group of Persons acting in concert) shall otherwise acquire, directly or indirectly (including through Affiliates), the power to elect a majority of the board of directors of the Borrower or otherwise direct the management or affairs of the Borrower by obtaining proxies, entering into voting agreements or trusts, acquiring securities or otherwise.

“Charges” shall mean all federal, provincial, state, county, city, municipal, local, foreign or other governmental or quasi-governmental taxes, levies, customs or other duties, assessments, charges, liens, and all additional charges, interest, penalties, expenses, claims or encumbrances upon or relating to: (a) the Collateral; (b) the Obligations; (c) the employees, payroll, income or gross receipts of any Credit Party; (d) the ownership or use of any assets by any Credit Party; or (e) any other aspect of any Credit Party’s business as well as any and all amounts at any time due and payable by any Credit Party to and/or in respect of any Plan (whether as a result of under-funding or otherwise).

“Chattel Paper” shall mean a writing or writings which evidence both a monetary obligation and a security interest in or lease of specific goods, but a charter or other contract involving the use or hire of a vessel is not Chattel Paper. When a transaction is evidenced by both such a security agreement or a lease and by an instrument or a series of instruments, the group of writings then together constitutes Chattel Paper.

“Clearance Costs” shall mean any and all amounts in respect of the purchase and transportation of such Inventory or Equipment, as applicable, including duty, freight, brokerage fees, insurance and other similar costs, other than the purchase price.



"Closing Date" shall mean the Business Day on which the conditions precedent set forth in Section 2 – have been satisfied or waived in writing by Lender and the initial Loan has been made.

"Code" means the *Internal Revenue Code* of 1986 of the United States, as amended from time to time, and any successor statute and the rules and regulations promulgated thereunder.

"Collateral" shall mean all of the property and assets of each Credit Party, tangible or intangible, and whether now owned or hereafter acquired, or in which it now has or at any time in the future may acquire any right, title, or interest, including all of the following property in which it now has or at any time in the future may acquire any right, title or interest: all Accounts; all bank and deposit accounts and all funds on deposit therein; all cash and cash equivalents; all commodity contracts; all investments, Shares and Investment Property; all Inventory and Equipment; all Goods; all Chattel Paper, Documents and Instruments; all Books and Records; all Intangibles; and to the extent not otherwise included, all Proceeds and products of all and any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing, but excluding in all events Hazardous Waste, together with any other collateral pledged to Lender or in respect of which Lender may acquire any Lien pursuant to each other Loan Document.

"Collateral Monitoring Fee" shall have the meaning assigned to it in Schedule D.

"Commitment Termination Date" shall mean the earlier of: (a) the Maturity Date; and (b) the date Lender's obligation to advance funds, or otherwise extend or continue any credit hereunder is otherwise terminated pursuant to the terms hereof.

"Compliance Certificate" shall mean a certificate in the form of Exhibit D.

"Contracts" shall mean all the contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which any Person may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

"Contractual Obligation" shall mean as to any Person, any provision of any security issued by such Person or of any agreement, instrument, or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Copyright License" shall mean rights under any written agreement now owned or hereafter acquired by any Person granting the right to use any Copyright or Copyright registration.

"Copyrights" shall mean all of the following now owned or hereafter acquired by any Person: (a) all copyrights in any original work of authorship fixed in any tangible medium of expression, now known or later developed, all registrations and applications for registration of any such copyrights in the United States, Canada or any other country, including registrations, recordings and applications, and supplemental registrations, recordings, and applications in the United States Copyright Office or in the applicable office in Canada; and (b) all Proceeds of the foregoing, including license royalties and proceeds of infringement suits, the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof.

"Credit Party Facilities" means, collectively, the Rupert Facility, the Patterson Facility and any of the Credit Parties' other facilities from time to time.

"Credit Party" shall mean Borrower and each Guarantor.

"Default" shall mean the occurrence of any Event of Default or event which, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

"Default Rate" shall have the meaning assigned to it in Section 1.5(d).



"Disbursement Accounts" shall have the meaning assigned to it in Schedule C.

"Documents" shall mean all documents of title (as defined in PPSA), now owned or hereafter acquired by any Person, wherever located, including all bills of lading, dock warrants, dock receipts, warehouse receipts, and other documents of title, whether negotiable or non-negotiable.

"EBITDA" shall mean, for any period, the Net Income (Loss) for such period plus interest expense, unrealized foreign exchange losses, income tax expense, amortization expense, depreciation expense, and minus unrealized foreign exchange gains, for such period, determined in accordance with GAAP and to the extent included in the determination of such Net Income (Loss).

"Eligible Accounts" shall mean as at the date of determination, all Accounts of Credit Parties except any Account:

- (a) that does not arise from the sale of goods or the performance of services by Borrower in the ordinary course of Borrower's business;
- (b) upon which: (i) Borrower's right to receive payment is not absolute or is contingent upon the fulfillment of any condition whatsoever; or (ii) Borrower is not able to bring suit or otherwise enforce its remedies against the Account Debtor through judicial process;
- (c) to the extent of any concessions, offsets, deductions, contras, returns, chargebacks or understandings with the Account Debtor therein that in any way could reasonably be expected to adversely affect the payment of, or the amount of, such Account;
- (d) with respect to which an invoice, acceptable to Lender in form and substance, has not been sent to the account of the debtor;
- (e) that is not owned by Borrower or is subject to any right, claim, or interest of another Person, other than Permitted Encumbrances which are in favour of Lender or have been subordinated on terms satisfactory to Lender to Liens in favour of Lender or which otherwise rank in priority behind the Liens in favour of Lender;
- (f) that arises from a sale to or performance of services for an employee, Affiliate, Subsidiary or Shareholder of Borrower or any other Credit Party, or an entity which has common officers or directors with Borrower or any other Credit Party;
- (g) that is the obligation of an Account Debtor that is the federal, state or provincial government or a political subdivision thereof, unless Lender has agreed to the contrary in writing;
- (h) that is the obligation of an Account Debtor located other than in Canada or the continental United States unless such Account is supported by a letter of credit in which Lender has a first priority perfected security interest and Lien by possession or credit insurance acceptable to Lender (and naming Lender as loss payee);
- (i) that is the obligation of an Account Debtor to whom Borrower is or may become liable for goods sold or services rendered by the Account Debtor to Borrower, to the extent of Borrower's liability to such Account Debtor;
- (j) that arises with respect to goods which are delivered on a cash-on-delivery basis or placed on consignment, guaranteed sale or other terms by reason of which the payment by the Account Debtor may be conditional;
- (k) that is an obligation for which the total unpaid Accounts, other than Eligible Investment Grade or Insured Accounts, of the Account Debtor exceed 10% of the aggregate of all gross Accounts as related to accounts receivable (excluding any inter-company accounts receivable), but only to the extent of such excess;



- (l) that is not paid within sixty (60) days from its due date or ninety (90) days from its invoice date or that are Accounts of an Account Debtor if 25% or more of the Accounts owing from such Account Debtor remain unpaid within such time periods
- (m) that has a due date of more than sixty (60) days from its invoice date;
- (n) that is an obligation of an Account Debtor that has suspended business, made a general assignment for the benefit of creditors, is unable to pay its debts as they become due or as to which a petition has been filed (voluntary or involuntary) under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors;
- (o) that arises from any bill-and-hold or other sale of goods which remain in Borrower's possession or under Borrower's control;
- (p) as to which Lender's interest therein is not a first priority perfected security interest and Lien;
- (q) to the extent that such Account exceeds any credit limit established by Lender in Lender's good faith discretion;
- (r) as to which any of Borrower's representations or warranties pertaining to Accounts are untrue;
- (s) that represents interest payments, late or finance charges, or service charges owing to Borrower;
- (t) with respect to which the Account Debtor is located in any state of the United States or province of Canada which requires the filing of a Notice of Business Activities Report or registration or licensing to carry on business or similar report, registration or licensing in order to permit Borrower to seek judicial enforcement in such state of the United States or province of Canada of payment of such Account, unless Borrower has qualified to do business in such state or has filed a Notice of Business Activities Report or registration or licensing to carry on business or equivalent report, registration or licensing for the then current year unless such Account is supported by a letter of credit in which Lender has a first priority perfected security interest and Lien by possession or credit insurance acceptable to Lender (and naming Lender as loss payee); or
- (u) that is not otherwise acceptable in the good faith discretion of Lender, provided, that Lender shall have the right to create and adjust eligibility standards and related reserves from time to time in its good faith discretion.

"Eligible Equipment" shall mean as at the date of determination, all Equipment of Credit Parties which meets the following criteria:

- (a) the applicable Credit Party has good title to such Equipment;
- (b) the applicable Credit Party has the right to subject such Equipment to a Lien in favour of Lender; such Equipment is subject to a first priority perfected Lien in favour of Lender and is free and clear of all other Liens of any nature whatsoever, except for Permitted Encumbrances which do not have priority over the Lien in favour of Lender;
- (c) the full purchase price for such equipment has been paid by the applicable Credit Party (unless such Equipment meets all of the criteria in paragraph (d)(ii) below);
- (d) such Equipment is:



- (i) located on a premises (A) owned by the applicable Credit Party which is subject to a first priority perfected Lien in favour of Lender, or (B) leased by the applicable Credit Party where (x) the lessor has delivered to Lender an landlord waiver acceptable to Lender or (y) a rent reserve with respect to such leased premises has been established by Lender; or
- (ii) is in transit to a premises that meets the requirements of the foregoing Subsection (i) and:
 - (A) such Equipment is insured to Lender's satisfaction with Lender as first loss payee and such insurance has been assigned to Lender to its satisfaction;
 - (B) such Equipment is supported by documentation acceptable to Lender (including but not limited to the original bill of lading and invoice and other documentation acceptable to Lender);
 - (C) any and all amounts in respect of the Clearance Costs for such Equipment, are either: (1) supported by a letter of credit acceptable to Lender, (2) paid for by Borrower and such payments have been verified by Lender, (3) subject to customary reserves in the Borrowing Base, taking into account the expected or anticipated Clearance Costs; or (4) or subject to such other arrangement that may be satisfactory to Lender and
 - (D) as to any portion of the purchase price not yet paid, reserved for in the Borrowing Base unless waivers of all repossession, revendication or similar rights of an unpaid supplier have been received to the satisfaction of Lender;;
- (e) such Equipment is in good working order and condition (ordinary wear and tear excepted) and is used or held for use by the applicable Credit Party in the ordinary course of business of the applicable Credit Party;
- (f) such Equipment is not subject to any agreement (other than the Loan Documents) which restricts the ability of the applicable Credit Party to use, sell, transport or dispose of such Equipment or which restricts Lender's ability to take possession of, sell or otherwise dispose of such equipment;
- (g) either (i) an appraisal report in respect of such Equipment has been delivered to Lender setting forth the Net Orderly Liquidation Value thereof, or, (ii) in respect of Equipment that is substantially similar to existing Eligible Equipment (the "**Similar Equipment**"), a desktop appraisal report based upon the capital list, specifications (including, as applicable, make, model, controls, capacity, options, attachments, power source) and quotes or invoices (including installation costs or an estimate) in respect of such Similar Equipment delivered by Borrower to Lender;
- (h) such Equipment does not constitute "fixtures" under the Applicable Laws of the jurisdiction in which such Equipment is located; and
- (i) if such Equipment is Non-North American Equipment, Lender shall have (i) consented in its sole discretion to the inclusion of such equipment in the Borrowing Base or (ii) amended this Agreement in accordance with Section 1.13.

"Eligible Inventory" shall mean as at the date of determination, all Inventory of Credit Parties, including Inventory covered by commercial letters of credit, that meets the following criteria:



- (a) is not subject to any Liens other than Permitted Encumbrances which are in favour of Lender or have been subordinated on terms satisfactory to Lender to Liens in favour of Lender or which otherwise rank in priority behind the Liens in favour of Lender;
- (b) is located on premises owned or operated by Borrower and referenced in Disclosure Schedule (3.6) or is located on premises with respect to which Lender has received a landlord, bailee, third party distributor or mortgagee letter acceptable in form and substance to Lender or, in the sole discretion of Lender, in respect of which Lender has established an appropriate reserve;
- (c) is not in transit unless and subject to Lender's discretion (i) title has been transferred to Borrower; (ii) the goods are in transit to Borrower's premises; (iii) the goods are insured to Lender's satisfaction with Lender as first loss payee and such insurance has been assigned to Lender to its satisfaction; (iv) the goods are supported by documentation acceptable to Lender (including but not limited to the original bill of lading and invoice and the documentation provided for in paragraph (d)); and (v) any and all amounts in respect of the Clearance Costs for such Inventory are either (A) supported by a letter of credit acceptable to Lender, (B) paid for by Borrower and such payments have been verified by Lender, (C) as to the Clearance Costs, reserved for in the Borrowing Base and, as to the purchase price, reserved for in the Borrowing Base unless waivers of all repossession, revindication or similar rights of an unpaid supplier have been received to the satisfaction of Lender or (D) or subject to such other arrangement that may be satisfactory to Lender;
- (d) is not covered by a negotiable document of title, unless such document and evidence of acceptable insurance covering such Inventory has been delivered to Lender;
- (e) is of good and merchantable quality, free from any defects and is not obsolete, unsalable, shopworn, damaged, unfit for further processing or of substandard quality, in Lender's good faith credit judgment;
- (f) does not consist of: (i) discontinued items; (ii) slow-moving or excess items; or (iii) used items held for resale;
- (g) consists of raw materials or finished goods, provided that, at the Lender's reasonable discretion, Eligible Inventory may also consist of unbranded or unprinted packaging materials which are the subject of an appraisal acceptable to the Lender;
- (h) meets all standards imposed by any Governmental Authority, including with respect to its production, acquisition or importation (as the case may be);
- (i) is not placed by Borrower on consignment or held by Borrower on consignment from another Person;
- (j) is not held for rental or lease by or on behalf of Borrower;
- (k) does not meet or violate any warranty, representation or covenant contained in this Agreement or any other Loan Document;
- (l) is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third parties;
- (m) does not require the consent of any Person for the completion or manufacture, sale or other disposition of such Inventory by Lender and such completion, manufacture or sale does not constitute a breach or default under any contract or agreement to which Borrower is a party or to which such Inventory is or may become subject;
- (n) is not subject to unpaid suppliers' repossession rights;



- (o) is in a location where the aggregate amount of Inventory that would otherwise be considered eligible, is at least \$50,000; and
- (p) is otherwise acceptable in the good faith discretion of Lender, provided that, Lender shall have the right to create and adjust eligibility standards and related reserves from time to time in its good faith discretion.

"Eligible Investment Grade or Insured Accounts" shall mean Eligible Accounts either: (a) payable by an Investment Grade Debtor; or (b) insured with an insurer which is acceptable to Lender on terms satisfactory to Lender in its sole discretion.

"EMA" shall mean the *Environmental Management Act* (British Columbia), the *Environmental Protection Act* (United States) and the similar Applicable Laws of Canada and any other province where any Collateral may be located, and any successor law or statute, as in effect from time to time or at any time.

"Environmental Laws" shall mean all federal, provincial, state, municipal and local Applicable Laws, statutes, ordinances, programs, permits, guidance, orders, decrees and regulations, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation).

"Environmental Liabilities" shall mean all liabilities, obligations, responsibilities, remedial actions, removal costs, losses, damages of whatever nature, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim, suit, action or demand of whatever nature by any Person and which relate to any health or safety condition regulated under any Environmental Law, environmental permits or in connection with any Release, threatened Release, or the presence of a Hazardous Material.

"Equipment" shall mean all "equipment" as defined in the PPSA and, in any event, shall include tangible or corporeal property other than Inventory, now or hereafter acquired by any Person, wherever located, including any and all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible or corporeal personal or movable property (other than Inventory) of every kind and description which may be now or hereafter used in such Person's operations or which are owned by such Person or in which such Person may have an interest, and all parts, accessories and accessions thereto and substitutions and replacements therefor.

"Equivalent Amount" shall mean the amount of US\$ or any other currency to which any amount in \$ is equivalent as determined by Lender based on the rate of exchange available to it as determined at noon (Toronto time) on the date of determination.

"ERISA" shall mean the *Employee Retirement Income Security Act* of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

"ERISA Group" shall mean, at any time, the Credit Parties and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any Credit Party, are treated as a single employer under Section 414 of the Code.

"Event of Default" shall have the meaning assigned to it in Section 7.1.

"Facility Fee" shall have the meaning assigned to it in Schedule D.

"Fees" shall mean the fees due to Lender as set forth in Schedule D.



"Field Examination" shall have the meaning assigned to it in Section 6.1(c).

"Field Examination Fees" shall have the meaning assigned to it in Schedule D.

"Financial Statements" shall mean for any Person, the income statement, balance sheet and statement of cash flows of such Person, prepared in accordance with GAAP.

"Fiscal Month" shall mean a monthly accounting period of Borrower or of a Credit Party, as applicable.

"Fiscal Quarter" shall mean each three (3) month accounting period of Borrower or of a Credit Party, as applicable.

"Fiscal Year" shall mean the twelve (12) month period of Borrower ending December 31 of each year. Subsequent changes of the fiscal year of Borrower shall not change the term "Fiscal Year" unless Lender shall consent in writing to such change.

"FSA" shall mean the British Columbia Financial Services Authority and any Person succeeding to the functions thereof and includes any other public authority empowered or created by the PBSA.

"GAAP" shall mean in relation to any Person at any time, (a) the Accounting Standards for Private Enterprises or (b) International Financial Reporting Standards for Public Companies, as applicable, in each case, as approved by the Accounting Standards Board of Canada or its successor, applied on a basis consistent with the most recent financial statements of such Person (except for changes approved by the auditors of such Person).

"Goods" shall mean all "goods," as such term is defined in the PPSA and, in any event, includes all things which are movable at the time Lender's Liens attach thereto (other than money, Documents, Instruments, Accounts, Chattel Paper and Intangibles) as well as all fixtures, standing timber which is to be cut, the unborn young of animals and growing crops, all now owned or hereafter acquired by any Person, wherever located, including Equipment, Inventory and all other tangible or corporeal personal or movable property.

"Goodwill" shall mean all goodwill, trade secrets, proprietary or confidential information, technical information, procedures, formulae, quality control standards, designs, operating and training manuals, customer lists, and distribution agreements, now owned or hereafter acquired by any Person.

"Governmental Authority" shall mean any nation or government, any state, provincial or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee" shall mean any guarantee or any other agreement to perform all or any portion of the Obligations on behalf of Borrower or any other Credit Party, in favour of, and in form and substance satisfactory to, Lender, together with all amendments, modifications and supplements thereto and restatements and replacements thereof, and shall refer to such Guarantee as the same may be in effect at the time such reference becomes operative.

"Guaranteed Indebtedness" shall mean, as to any Person, any obligation of such Person guaranteeing any indebtedness, lease, dividend, or other obligation ("primary obligations") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such guaranteeing Person (whether or not contingent): (a) to purchase or repurchase any such primary obligation; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; or (d) to indemnify the owner of such primary obligation against loss in respect thereof.



"Guarantor" shall mean each Person which executes a Guarantee in favour of Lender in connection or as required by this Agreement. As of the Closing date, the Guarantors are 1218169 B.C. Ltd., 1218158 B.C. Ltd., The Very Good Butchers Inc., The Cultured Nut Inc., Lloyd-James Marketing Group Inc. and VGFC Holdings LLC.

"Hazardous Material" shall mean any substance, material or waste which is regulated by or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance which is: (a) defined as a "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," "hazardous constituent," "special waste," "toxic substance" or other similar term or phrase under any Environmental Laws; (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB's); or (c) any radioactive substance.

"Hazardous Waste" shall include any Hazardous Material as well as any other substance, material or waste which is now or may hereafter be classified as hazardous (or similarly classified) under any applicable legislation.

"In Place Appraised Value" means, in respect of each Credit Party Facility, the fair market value from a Lender-approved appraiser performed in accordance with the guidelines established by the Uniform Standards of Professional Appraisal Practices.

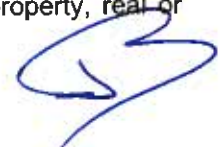
"Increase Notice" shall have the meaning assigned to such terms in Section 1.13.

"Indebtedness" of any Person shall mean: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (including reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured, but not including obligations to trade creditors incurred in the ordinary course of business and not more than forty five (45) days past due); (b) all obligations evidenced by notes, bonds, debentures or similar instruments; (c) all indebtedness created or arising under any conditional sale or other title retention agreements with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (d) all Capital Lease Obligations; (e) all Guaranteed Indebtedness; (f) all Indebtedness referred to in clauses (a), (b), (c), (d) or (e) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (g) the Obligations.

"Indemnified Liabilities" and "Indemnified Person" shall have the meaning assigned to such terms in Section 1.11.

"Instruments" shall mean all "instruments," as defined in the PPSA and, in any event, includes all negotiable instruments (including all bills of exchange and promissory notes), all certificated securities or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is, in the ordinary course of business, transferred by delivery with any necessary endorsement or assignment, now owned or hereafter acquired by any Person, wherever located, including all certificated securities and all notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Intangibles" shall mean all "intangibles" as defined in the PPSA and, in any event, includes intangible or incorporeal property, real or personal, moveable or immovable now owned or hereafter acquired by any Person, including all right, title and interest which such Person may now or hereafter have in or under any Contract, Intellectual Property, interests in partnerships, joint ventures and other business associations, permits, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials, Books and Records, Goodwill (including the Goodwill associated with any Intellectual Property), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal or movable property, real or



immovable property, tangible rights or intangible rights, corporeal or incorporeal rights, all liability, life, key-person, and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit accounts, rights to receive tax refunds and other payments and rights of indemnification.

"Intellectual Property" shall mean any and all Licenses, Patents, Copyrights, Trademarks, trade secrets and customer lists.

"Interest Expense" means, for any reference period and with respect to the Credit Parties, total interest expense (including that portion attributable to capitalized interest and capital leases in accordance with GAAP), premium payments, debt discount, fees, charges and related expenses with respect to all outstanding Indebtedness of the Credit Parties, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances, in each case paid in cash during such period.

"Inventory" shall mean all "inventory," as such term is defined in the PPSA, now or hereafter owned or acquired by any Person, wherever located, including all inventory, merchandise, goods and other personal property which are held by or on behalf of such Person for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in such Person's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies.

"Investment Grade Debtor" shall mean an Account Debtor of Borrower whose long-term unsecured and unsubordinated indebtedness has been rated as follows by 2 of the 3 rating agencies (or their respective successors) below:

- (a) S&P: \geq BBB-
- (b) Moody's: \geq Baa3
- (c) DBRS: \geq BBB-

"Investment Property" shall mean all investment property now or hereafter acquired by any Person, wherever located and includes securities (whether or not certificated), securities entitlement, securities account, commodity contract or commodity account.

"Lender" shall mean Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. and, if at any time Lender shall decide to assign or syndicate all or any of the Obligations, such term shall include such assignee or such other members of the syndicate.

"License" shall mean any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Person.

"Lien" shall mean, whether based on common law, statute or contract, whether choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due: (a) any mortgage, security deed or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, security title, deemed trust, requirement to pay, easement, reservation, exception, encroachment, privilege, title exception, garnishment right, prior claim or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable law of any jurisdiction); and (b) any rights of repossession or similar right of an unpaid supplier.

"Litigation" shall mean any claim, lawsuit, litigation, investigation or proceeding of, or before, any arbitrator or Governmental Authority.



“Loan Documents” shall mean this Agreement, each Guarantee, the Blocked Accounts Agreement, and the other documents and instruments listed in Schedule E, and all security agreements, hypothecs, mortgages and all other documents, instruments, certificates, and notices at any time delivered by any Person (other than Lender and its affiliates) in connection with any of the foregoing.

“Loans” shall mean the Revolving Credit Loan and the Term Loan.

“Material Adverse Effect” shall mean a material adverse effect on: (a) the business, assets, operations, prospects or financial or other condition of Borrower or any other Credit Party or the industry within which Borrower or any other Credit Party operates; (b) Borrower’s or any other Credit Party’s ability to pay or perform the Obligations under the Loan Documents to which such Credit Party is a party in accordance with the terms thereof; (c) the Collateral or any realization thereof or Lender’s Liens on the Collateral or the priority of any such Lien; or (d) Lender’s rights and remedies under this Agreement and the other Loan Documents.

“Material Contract” shall mean any agreement to which any Credit Party is party that constitutes a guarantee in excess of the Minimum Actionable Amount or otherwise provides for any Lien on such Credit Party’s property (other than Permitted Encumbrances), is essential to a Credit Party’s ability to carry on business as currently conducted (including without limitation, take or pay contracts and product licenses) or the breach or termination of which could otherwise give rise to a Material Adverse Effect.

“Material Intellectual Property” means, in respect of each Credit Party, all Intellectual Property owned or licensed by such Credit Party necessary to conduct its business as currently conducted, except for such Intellectual Property the failure of which to own or license could not reasonably be expected to have a Material Adverse Effect.

“Maturity Date” shall mean, unless extended to a later date in the sole, unfettered discretion of Lender following a written request by Borrower (and subject to an extension fee), June 7, 2023, subject to an option to extend such date for a further twelve (12) months, on terms and conditions to be mutually agreed to in writing by Borrower and Lender.

“Maximum Amount” shall mean: (a) in respect of the Revolving Credit Loan, \$5,000,000 as of the Closing Date, and thereafter as such amount may be increased pursuant to Section 1.13 up to (but not to exceed) \$20,000,000 or the Equivalent Amount thereof in US\$; (b) in respect of the Term Loan, \$50,000,000 or the Equivalent Amount thereof in US\$.

“Minimum Actionable Amount” shall mean \$1,000,000 or the Equivalent Amount thereof in US\$.

“Miscellaneous Fees” shall have the meaning assigned to it in Schedule D.

“Multiemployer Plan” shall mean a Plan which is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA and to which the ERISA Group or any of them is then making or accruing an obligation to make contributions or, within the preceding five (5) Plan years, has made or had an obligation to make such contributions.

“Multiple Employer Plan” shall mean a Plan which has two (2) or more contributing sponsors (including the ERISA Group or any of them) at least two of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

“Net Income (Loss)” shall mean for any period, the aggregate net income (or loss) after taxes for such period, determined in accordance with GAAP.

“Net Orderly Liquidation Value” shall mean the net proceeds that could be expected from an orderly professionally managed liquidation sale of the Inventory or Equipment, as applicable, and expressed as a percentage of the cost of such Inventory or Equipment, from a Lender-approved appraiser performed in accordance with the guidelines established by the Uniform Standards of Professional Appraisal Practices.



"Non-North American Equipment" means any Equipment located outside of the United States and Canada.

"Notice of Advance" shall have the meaning assigned to it in Section 1.1(b).

"Obligations" shall mean all loans, advances, debts, expense reimbursement, fees, liabilities, and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or amounts are liquidated or determinable) owing by Borrower and any other Credit Party to Lender, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, whether arising under any of the Loan Documents or under any other agreement between Borrower, such Credit Party and Lender, and all covenants and duties regarding such amounts. This term includes all principal, interest, Fees, Charges, expenses, legal fees and any other sum chargeable to Borrower under any of the Loan Documents, and all principal and interest due in respect of the Loans and all obligations and liabilities of any Guarantor under any Guarantee.

"OFAC" shall mean the United States Department of Treasury Office of Foreign Assets Control.

"Operating Lease" shall mean any lease of property (excluding rentals of office, retail or other space) which, in accordance with GAAP, shall be reflected as an operating lease in the financial statements of a Person.

"Patent License" shall mean rights under any written agreement now owned or hereafter acquired by any Person granting any right with respect to any invention on which a Patent is in existence.

"Patents" shall mean all of the following in which any Person now holds or hereafter acquires any interest: (a) all patents and letters patent of the United States, Canada or any other country, all registrations and recordings thereof, and all applications for patents and letters patent of the United States, Canada or any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, Canada or any province, state or territory thereof, or any other country; and (b) all reissues, continuations, continuations-in-part or extensions thereof.

"Patterson Facility" means the facility located at and about 220 S. 1st Street, Patterson, California.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

"PBSA" shall mean the *Pension Benefits Standards Act* (British Columbia) and the similar Applicable Laws of any other province or territory of Canada, as in effect from time to time or at any time.

"Pension Event" shall mean: (a) the existence of any unfunded liability or windup or withdrawal liability, including contingent withdrawal or windup liability, or any solvency deficiency in respect of any Plan; (b) the whole or partial termination or windup of any Plan or occurrence of any act, event or circumstance which could give rise to the whole or partial termination or windup of any Plan; (c) the failure to make any contribution or remittance in respect of any Plan when due; (d) the failure to file any report, actuarial valuation, return, statement or other document, when due, in respect of any Plan; (e) the existence of any Lien except in respect of current contribution amounts not due in connection with any Plan; or (f) the establishment or commencement to contribute to any Plan not in existence on the date thereof.

"Permitted Acquisition" means any Acquisition which meets the following criteria:

- (a) Lender shall receive at least fifteen (15) days prior written notice of such Acquisition, which notice shall include a description of such proposed Acquisition;
- (b) at the time of the Acquisition there exists no Default or Event of Default and there shall exist no Default or Event of Default resulting from the completion of the Acquisition;



- (c) Borrower shall have provided a Compliance Certificate demonstrating the financial covenants required to be met pursuant to both Section 5.1(a) (taking into account any revised projections delivered and approved in accordance with Section 4.1(e)) and Section 5.1(b) have been met and will continue to be met, on a pro forma basis, after the completion of such Acquisition;
- (d) the aggregate amount of the consideration paid in respect of such Acquisition (inclusive of the value of all cash paid or payable, Indebtedness assumed and Shares issued) is not more than \$100,000,000 (or the Equivalent Amount thereof in any other currency other than Canadian Dollars), unless Lender has consented in writing to the amount of consideration to be paid, which consent will not be unreasonably withheld or delayed;
- (e) Lender shall have received copies of any business, financial, accounting, tax and legal and environmental due diligence prepared by the Borrower with respect to the target of such Acquisition, and shall be satisfied with the same, acting reasonably and without delay in the review thereof;
- (f) if any owned real property is acquired in connection with such Acquisition, Lender shall have received copies of any real property due diligence prepared by or on behalf of the Borrower with respect to such real property, and shall be satisfied with the same, acting reasonably and without delay in the review thereof;
- (g) the business subject to such Acquisition shall have its primary operations in Canada or the United States of America and shall be in a business similar, ancillary or reasonably related to the business of the Borrower, provided that if such Acquisition shall have its primary operations outside of Canada or the United States of America and meet all of the other requirements of this Agreement to constitute a Permitted Acquisition, such Acquisition shall be permitted, but the Accounts and Inventory acquired in such Acquisition or generated by the target thereof may, in Lender's reasonable discretion, not be considered Eligible Accounts or Eligible Inventory until Lender has received satisfactory legal advice concerning the treatment of Accounts and Inventory in applicable jurisdictions and, if reasonably required by Lender, Lender and Borrower have agreed, in good faith, to any required amendments to the definitions of Eligible Accounts or Eligible Inventory to address the treatment of Accounts and Inventory in such applicable jurisdictions;
- (e) the applicable Credit Party shall promptly (and in any event within ten (10) Business Days) thereafter: (a) cause any Persons acquired as part of such Acquisition to become a Credit Party hereunder and deliver all Loan Documents required to be delivered by a Credit Party hereunder (including all of the documentation required for a Credit Party listed on Schedule E hereto); and (b) take all other actions required by Lender to perfect Lender's first priority Liens upon the Collateral, unless Lender has, in its discretion agreed in writing to allow Indebtedness and Liens in respect of such Indebtedness to remain outstanding in respect of such Acquisition, on terms and conditions acceptable to Lender; and
- (f) on or prior to the date of the Acquisition, Lender shall receive copies of the acquisition agreement and such other material agreements related to the Acquisition as may be reasonably requested by Lender.

"Permitted Contest" means action taken by or on behalf of a Credit Party in good faith by appropriate proceedings diligently pursued to contest any claim, provided that:

- (a) the Credit Party in respect of which the claim being contested is relevant has established reasonable reserves therefor if and to the extent required by GAAP;
- (b) proceeding with such contest does not have, and could not reasonably be expected to have, a Material Adverse Effect; and



- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the Collateral.

"Permitted Encumbrances" shall mean (provided same shall not constitute any agreement by Lender to subordinate any of its Liens to same) the following encumbrances:

- (a) any Lien created by, or arising under a statute or regulation or common law (in contrast with Liens voluntarily granted) in connection with, without limiting the foregoing, workers' compensation, employment insurance, employers' health tax or other social security or statutory obligations that secure amounts that are not yet due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on the applicable Credit Parties' books and records and a stay of enforcement of the Lien is in effect;
- (b) Liens made or incurred in the ordinary course of business to secure the performance of bids, tenders, contracts (other than for the borrowing of money), leases, statutory obligations or surety and performance bonds;
- (c) any construction, workers', materialmen's or other like Lien created by Applicable Law (in contrast with Liens voluntarily granted), arising in connection with construction or maintenance in the ordinary course of business, in respect of obligations which are not due or which are being contested in good faith by proper proceedings diligently pursued and as to which adequate reserves have been established on any Credit Parties' books and records and a stay of enforcement of the Lien is in effect;
- (d) any Lien for Taxes not due or being contested in good faith by appropriate proceedings diligently pursued and as to which adequate reserves have been established on the applicable Credit Parties' books and records and a stay of enforcement of the Lien is in effect;
- (e) minor imperfections in title on real property that do not materially detract from the value of the real property subject thereto and do not materially impair any Credit Parties' ability to carry on its business or Lender's rights and remedies under the Loan Documents;
- (f) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including rights-of-way, and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons which in the aggregate do not materially impair the usefulness, in the operation of the business of any Credit Party, of the real property subject to the restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons and, in each case, which do not impair the use and operation of the business by the Credit Party or Lender's rights and remedies under the Loan Documents;
- (g) the rights reserved to or vested in any Person by the terms of any lease, licence, franchise, grant or permit held by any Credit Party or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (h) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (i) restrictive covenants affecting the use to which real property may be put, provided that the covenants are complied with and do not materially detract from the value of the real property concerned or materially impair its use in the operations of any Credit Party or impair Lender's rights and remedies under the Loan Documents;



- (j) Liens in favour of Lender created by the Loan Documents;
- (k) Liens disclosed in Disclosure Schedule (5.2(e)) but only to the extent such Liens conform to their description in Disclosure Schedule (5.2(e)), and includes any extension or renewal thereof provided the amount secured thereby does not exceed the original amount secured immediately prior to the extension, renewal or refinancing and the scope of security creating the Lien is not extended;
- (l) Purchase Money Liens securing Purchase Money Indebtedness to the extent permitted under Section 5.2(b);
- (m) Liens in favour of Royal Bank of Canada in cash collateral limited to \$100,000, to secure credit card liabilities and any obligations owing under any global payment transfer systems;
- (n) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Person, provided that such Liens do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person or impair Lender's rights and remedies under the Loan Documents;
- (o) servicing agreements, development agreements, site plan agreements, and other agreements with governmental entities pertaining to the use or development of any of the assets of the Person, provided same are complied with and do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person including, without limitation, any obligations to deliver letters of credit and other security as required or impair Lender's rights and remedies under the Loan Documents; and
- (p) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person or impair Lender's rights and remedies under the Loan Documents.

"Permitted Restricted Payments" shall mean any payment, loan, contribution, or other transfer of funds or other property to any Shareholder of a Credit Party: (a) so long as no Default or Event of Default has occurred and is continuing or would arise as a result thereof, and Borrower has provided a Compliance Certificate demonstrating the financial covenants required to be met pursuant to both Section 5.1(a) and Section 5.1(b) have been met and will continue to be met after the making of such payment, loan, contribution, or other transfer of funds or other property to any Shareholder; (b) to the extent such Shareholder is a Credit Party; or (c) which payment constitutes the payment of reasonable management, consulting or other fees for management or similar services made in the ordinary course of business, consistent with the compensation framework dated January 25, 2021, a copy of which has been provided to Lender.

"Person" shall mean any individual, sole proprietorship, partnership, limited liability partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, legal person, institution, public benefit corporation, entity or government (whether federal, provincial, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person's successors and assigns.

"Plan" shall mean: (a) any employee pension benefit plan which any Credit Party sponsors or maintains or to which it makes or is making or is required to make contributions, and includes any pension or benefit plan regulated by the FSA or similar authority or otherwise subject to the PBSA; and (b) an employee pension benefit plan which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code and either: (a) is maintained by any member of the ERISA Group for



employees of any member of the ERISA Group, or (b) has at any time within the preceding five years been maintained by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group.

"PPSA" shall mean the Personal Property Security Act (or any successor statutes) as the same may, from time to time, be in effect in the Province of British Columbia; provided, that in the event that, by reason of mandatory provisions of Applicable Law, any or all of the attachment, perfection or priority of Lender's security interest in any Collateral is governed by the Personal Property Security Act as in effect in a jurisdiction other than the Province of Ontario, the term "PPSA" shall mean the Personal Property Security Act or a similar act or statute as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

"Prepayment Fee" shall have the meaning assigned to it in Schedule D.

"Proceeds" shall mean "proceeds," as such term is defined in the PPSA and, in any event, includes whatever is received or receivable upon the sale, exchange, collection or other disposition of the Collateral and, in any event shall include: (a) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Borrower or any other Credit Party from time to time with respect to any Collateral; (b) any and all payments (in any form whatsoever) made or due and payable to Borrower or any other Credit Party from time to time in connection with any requisition, confiscation, expropriation, seizure or forfeiture of any Collateral by any governmental body, authority, bureau or agency (or any person acting under colour of Governmental Authority); (c) any claim of Borrower or any other Credit Party against third parties (i) for past, present or future infringement of any Intellectual Property or (ii) for past, present or future infringement or dilution of any Trademark or Trademark License or for injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License; (d) any recoveries by Borrower or any other Credit Party against third parties with respect to any litigation or dispute concerning any Collateral; and (e) any and all other amounts from time to time paid or payable under or in connection with any Collateral, upon disposition or otherwise.

"Prohibited Transaction" means any prohibited transaction as defined in Section 4975 of the Code or Section 406 of ERISA for which neither an individual nor a class exemption has been issued by the United States Department of Labor.

"Projections" shall mean the projected consolidated and, when requested, consolidating, income statement, balance sheet and statement of cash flows of Credit Parties for any future period, including forecasted Capital Expenditures.

"Purchase Money Indebtedness" shall mean: (a) any Indebtedness incurred for the payment of all or any part of the purchase price of any fixed asset; (b) any Indebtedness incurred for the sole purpose of financing or refinancing all or any part of the purchase price of any fixed asset; and (c) any renewals, extensions or refinancings thereof (but not any increases in the principal amounts thereof outstanding at that time).

"Purchase Money Lien" shall mean any Lien upon any fixed assets which secures the Purchase Money Indebtedness related thereto but only if such Lien shall at all times be confined solely to the asset the purchase price of which was financed or refinanced through the incurrence of the Purchase Money Indebtedness secured by such Lien and only if such Lien secures only such Purchase Money Indebtedness.

"Real Property" shall have the meaning assigned to it in Section 3.15.

"Release" shall mean, as to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Materials in the indoor or outdoor environment by such Person, including the movement of Hazardous Materials through or in the air, soil, surface water, ground water or property.

"Requirement of Law" shall mean as to any Person, the certificate or articles of incorporation and by-laws or other organizational or governing documents of such Person, and any Applicable Law or determination



of an arbitrator or a court or other Governmental Authority, in each case binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted Payment" shall mean: (a) the declaration or payment of any dividend or the incurrence of any liability to make any other payment or distribution of cash or other property or assets on or in respect of Borrower's or any other Credit Party's Shares; (b) any payment or distribution made in respect of any subordinated Indebtedness of Borrower or any other Credit Party in violation of any subordination or other agreement made in favour of Lender, but subject in all cases to the subordination, priority or intercreditor agreement with Lender; (c) any payment on account of the purchase, redemption, defeasance or other retirement of Borrower's or any other Credit Party's Shares or Indebtedness or any other payment, voluntary prepayment or distribution made in respect thereof, either directly or indirectly other than: (i) that arising under this Agreement, or (ii) interest and principal, when due without acceleration or modification of the amortization as in effect on the Closing Date, under Indebtedness (not including subordinated Indebtedness, payments of which shall be permitted only in accordance with the terms of the relevant subordination, priority or intercreditor agreement made in favour of Lender) described in Disclosure Schedule (5.2(b)) or otherwise permitted under Section 5.2(b) (vi); or (d) any payment, loan, contribution, or other transfer of funds or other property to any Shareholder of such Person which is not expressly and specifically permitted in this Agreement; provided, that no payment to Lender shall constitute a Restricted Payment.

"Revolving Credit Advance" shall have the meaning assigned to it in Section 1.1(a).

"Revolving Credit Loan" shall mean at any time the sum of: (a) the aggregate amount of Revolving Credit Advances then outstanding; and (b) the amount of accrued but unpaid interest thereon.

"Revolving Credit Loan Borrowing Base" shall mean an amount equal to Subsection (a) of the definition of Borrowing Base less Subsection (c) of the definition of Borrowing Base.

"Revolving Credit Rate" shall have the meaning assigned to it in Section 1.5.

"Rupert Facility" means the facility located at and about 2748 Rupert Street, Vancouver, BC V5M 3T7.

"Sanctioned Person" means, at any time; (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including the OFAC SDN List), the United States Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority; (b) any Person located, organized or resident in a jurisdiction subject to any Sanctions; or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) or (b) above.

"Sanctions" means all economic or financial sanctions, sectoral sanctions, secondary sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States government (including those administered by OFAC or the United States Department of State) or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority with jurisdiction over any Credit Party or any of their respective subsidiaries or Affiliates.

"Shareholder" shall mean each holder of Shares of Borrower or any other Credit Party.

"Shares" shall mean all certificated and uncertificated shares, options, warrants, membership interests, general or limited partnership interests, participation or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common shares, preferred shares, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934) or "security" (as defined in the *Securities Act* (Ontario) or any other applicable Canadian provincial legislation or regulations thereunder).



"Subordinated Debt" means, without duplication, indebtedness for borrowed money incurred, assumed or guaranteed by any Credit Party which unless Lender agrees otherwise, is expressly postponed and subordinated in right of payment to the Obligations pursuant to a written postponement and subordination agreement in form and substance acceptable to Lender, acting reasonably.

"Subsidiary" shall mean, with respect to any Person: (a) any corporation of which an aggregate of more than 50% of the outstanding Shares having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person and/or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 50% or more of such Shares whether by proxy, agreement, operation of law or otherwise; and (b) any partnership or limited liability company in which such Person or one or more Subsidiaries of such Person has an equity interest (whether in the form of voting or participation in profits or capital contribution) of more than 50% or of which any such Person is a general partner or manager or may exercise the powers of a general partner or manager.

"Taxes" shall mean taxes (including goods and services taxes and applicable sales taxes), duties, levies, imposts, deductions, Charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on or measured by the net income of Lender.

"Term Loan" shall mean at any time the sum of: (a) the aggregate amount of Term Loan Advances then outstanding; and (b) the amount of accrued but unpaid interest thereon.

"Term Loan Advance" shall have the meaning assigned to it in Section 1.1(a).

"Term Loan Borrowing Base" shall mean an amount equal to Subsection (b) of the definition of Borrowing Base less Subsection (c) of the definition of Borrowing Base.

"Termination Date" shall mean the date on which the indefeasible payment in full of the Obligations has occurred and Lender has no further obligation to advance funds, or otherwise extend or continue any credit hereunder (whether due to the Maturity Date or otherwise pursuant to the terms hereof).

"Trademark License" shall mean rights under any written agreement now owned or hereafter acquired by any Person granting any right to use any Trademark or Trademark registration.

"Trademarks" shall mean all of the following now owned or hereafter acquired by any Person: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, Canada, any Province, State or Territory thereof, or any other country or any political subdivision thereof; and (b) all reissues, extensions or renewals thereof.

"Unused Line Fee" shall have the meaning assigned to it in Schedule D.

"US Dollar Interest Rate" shall mean 9.95% per annum.

"US Dollars" or "US\$" shall mean the lawful currency of the United States of America.

"WEPPA Claims" means any claims made against the Credit Parties pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.



SCHEDULE B

LENDER'S AND BORROWER'S ADDRESSES FOR NOTICES

Lender's Address:

25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: Aaron Ehgoetz, Mark Wilk and Don Rogers
Email: aehgoetz@waygarcapital.com, mwilk@waygarcapital.com, and
drogers@waygarcapital.com

Borrower's Address:

2748 Rupert Street
Vancouver, BC V5M 3T7

Attention: Chief Financial Officer
Email: kamini@verygoodbutchers.com

Credit Parties' Address:

c/o Borrower's address above (unless otherwise specified below).



SCHEDULE C

CASH MANAGEMENT SYSTEM

Borrower agrees to establish, and to maintain, until the Termination Date, the cash management system described below:

1. No Credit Party: (a) shall (nor shall it permit any of its Subsidiaries to) open or maintain any deposit, chequing, operating or other bank account, or similar money handling account, with any bank or other financial institution except at the Blocked Account Banks or as permitted by Lender in its sole discretion and as identified in Attachment 1 hereto; and (b) shall close or permit to be closed any of the accounts identified in Attachment 1 without Lender's prior written consent, and then only after such Credit Party has implemented agreements with a bank or financial institution acceptable to Lender.
2. Commencing on the Closing Date and until the Termination Date, all monies (which term when used in this Agreement includes all cheques, bills of exchange and other payment instruments as well as cash) received by the Credit Parties, including, but not limited to, any receipts in payment of any Accounts or in respect of any insurance proceeds, whether or not a notice and direction has been sent to the Credit Parties' Account Debtors, shall be received and held, and shall be deemed to be received and held, in trust for Lender and shall be, and shall be deemed to be, kept separate and apart from the Credit Parties' own funds and immediately deposited by it on a daily basis in one or more blocked accounts set up for this purpose and listed in Attachment 1 hereto (collectively, the "**Blocked Accounts**"). The Credit Parties shall execute and deliver to Lender, blocked accounts or deposit control accounts agreements (collectively "**Blocked Account Agreements**") in respect of all such accounts, the receipt of which is a condition precedent to any accommodation of credit hereunder.
3. The Blocked Account Agreements shall provide that upon delivery of a notice to the Blocked Account Banks, in the form required by the Blocked Account Agreements (each an "**Activation Notice**"), at the sole discretion of Lender following the occurrence and during the continuance of an Event of Default, the Blocked Account Banks have no Liens upon, or right to set off against, the Disbursement Accounts (except for customary services charges), the items received for deposit therein, or the funds from time to time on deposit therein, that Lender has a security interest in the funds from time to time on deposit therein and that until receipt by the Blocked Account Banks of an Activation Notice, the Blocked Account Banks will comply only with the transfer, withdrawal and disbursement instructions of the Borrower and after receipt of an Activation Notice, the Blocked Account Banks will comply only with the transfer, withdrawal and disbursement instructions of Lender.
4. Prior to the delivery of an Activation Notice, the Borrower and each other Credit Party shall be authorized to operate all accounts, including the Blocked Accounts. After the delivery of an Activation Notice:
 - (a) any funds that are transferred to Lender from the Blocked Accounts shall be credited against the Loan,
 - (b) the Borrowers shall make all of their payments (other than payments on the Loan) and disbursements only from the Disbursement Accounts; and
 - (c) each Credit Party and all of their affiliates, subsidiaries, officers, employees, agents and directors (each, a "**Related Person**") shall, acting as trustee for Lender, receive, as the property of Lender (to the extent of the outstanding obligations of the Borrower hereunder), any monies, cheques, notes, drafts or any other payment which comes into the possession or under the control of a Credit Party or, in the case of any Related Person, comes into its possession or under its control and is rightfully that of a Credit Party, and immediately upon receipt thereof where received by a Credit Party or upon becoming aware of the receipt



thereof where received by a Related Person, such Credit Party shall deposit or shall cause the same to be deposited in the Disbursement Account or the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Lender. In no event shall the same be commingled with any of the funds of a Credit Party. Each Credit Party agrees to reimburse Lender on demand for any amounts owed or paid to the Blocked Account Banks by Lender regarding the Blocked Accounts or any other bank or Person involved in the transfer of funds to or from the Blocked Accounts arising out of Lender's payments to or indemnification of such bank or Person.

5. Borrower may maintain, in its name, accounts (the "**Disbursement Accounts**") at Blocked Account Banks into which Lender shall, from time to time, deposit proceeds of Advances made pursuant to Section 1.1 for use solely in accordance with the provisions of Section 1.3. All of the Disbursement Accounts as of the Closing Date are listed in Attachment 1 hereto.
4. Upon the request of Lender, each Credit Party shall forward to Lender, on a daily basis, evidence of the deposit of all items of payment received by such Credit Party into the Blocked Accounts and copies of all such cheques and other items, together with a statement showing the application of those items relating to payments on Accounts to outstanding Accounts and a collection report with regard thereto in form and substance satisfactory to Lender.



ATTACHMENT 1 TO SCHEDULE C

LIST OF BANK ACCOUNTS

Bank	Bank	Transit	Account	Description	Currency
Royal Bank of Canada	0003	08080	1003847	VGFC Chequing**	CAD
Royal Bank of Canada	0003	08080	4001194	VGFC Chequing	USD
Royal Bank of Canada	0003	08080	1011451	VGFC Chequing - Restaurant/Butchershop	CAD
The Toronto-Dominion Bank*	0004	09911	5010359	TCN Chequing	CAD
Bank of Montreal*	0001	07600	1979236	LJ Chequing	CAD
Bank of Montreal*	0001	07600	4759545	LJ Chequing	USD
The Toronto-Dominion Bank*	0004	09400	5578878	VGFC Chequing	CAD
The Toronto-Dominion Bank*	0004	09400	7358848	VGFC Chequing	USD

*To be closed post-closing

**Disbursement Account

SCHEDULE D

FEES

1. **Unused Line Fee:** For each day from the Closing Date, and through and including the Commitment Termination Date, an amount equal to the then applicable Maximum Amount in respect of the Revolving Credit Loan, less the aggregate of the aggregate amount of Advances outstanding under the Revolving Credit Loan at the end of each day, multiplied by 1% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the Unused Line Fee is payable. The Unused Line Fee for each month (except for the month in which the Commitment Termination Date occurs) is payable in arrears on the first Business Day of each calendar month following the Closing Date; the final monthly instalment of the Unused Line Fee is payable on the Commitment Termination Date. Notwithstanding the foregoing, any unpaid Unused Line Fee is immediately due and payable on the Commitment Termination Date.
2. **Facility Fee:** A fully earned non-refundable facility fee of \$2,520,000 which is fully earned as of the date hereof, which is payable as follows: (a) \$210,000 shall payable on the earlier of: (i) the date that is five (5) Business Days from the Closing Date; and (ii) the date of the initial Advances hereunder; (b) \$210,000 shall be payable on the date that is thirty (30) days from the Closing Date; (c) \$210,000 shall be payable on the date that is sixty (60) days from the Closing Date; (d) \$630,000 shall payable on the date that is 364 days after the Closing Date; (e) \$630,000 shall payable on the date that is 366 days after the Closing Date; and (f) \$630,000 shall payable on the date that is 729 days after the Closing Date;. In addition, should Lender and Borrower agreed to extend the Maturity Date by an additional year, a further facility fee in the amount of \$630,000 is payable on the date that is two years from the Closing Date. Should Borrower prepay and cancel the Loans in full prior to the Maturity Date, or if Lender demands repayment of the Loans as a result of the occurrence of an Event of Default, any remaining portion of the Facility Fee shall be due and payable in full as Obligations hereunder.
3. **Collateral Monitoring Fee:** A fully earned and non-refundable collateral monitoring fee of \$5,000 per month or each part thereof, payable in advance in beginning on the Closing Date and on the first Business Day of each month thereafter.
4. **Prepayment Fee:** An amount equal to: (a) six months' interest on the then current Maximum Amount, if Lender's obligation to make further Advances is terminated (voluntarily by Borrower, upon Default or otherwise) on or after the Closing Date and on or before the first anniversary of the Closing Date, payable on the Commitment Termination Date; and (b) \$0, thereafter. Borrower acknowledges and agrees that: (i) it would be difficult or impractical to calculate Lender's actual damages from early termination of Lender's obligation to make further Advances for any reason pursuant to Section 1.2(c) or Section 7.2; (ii) the Prepayment Fees provided above are intended to be fair and reasonable approximations of such damages; and (iii) the Prepayment Fees are not intended to be penalties.
5. **Field Examination Fees:** Borrower will reimburse Lender for Lender's reasonable charges in respect of audit reviews, Field Examinations and collateral examinations to the extent permitted hereunder, including the standard charges of the Lender's field examiner, and all out-of-pocket expenses incurred in connection therewith and applicable taxes.
6. **Appraisal Fees:** Borrower will reimburse Lender for all reasonable out-of-pocket expenses incurred by Lender in connection with the appraisals of Inventory and Equipment conducted for Lender by an appraisal firm acceptable to Lender.
7. **Miscellaneous Fees:** Borrower shall be liable for all of Lender's reasonable out-of-pocket customary miscellaneous fees for activities undertaken by Lender, including additional uploads, amendments, waivers and other matters.



SCHEDULE E

SCHEDULE OF DOCUMENTS

The obligation of Lender to make the initial Advances and extend other credit is subject to satisfaction of the condition precedent that Lender shall have received the following, each, unless otherwise specified below or the context otherwise requires, dated the Closing Date, in form and substance satisfactory to Lender and its counsel:

PRINCIPAL LOAN DOCUMENTS

1. Loan Agreement. This Agreement duly executed by Borrower and the other Credit Parties party thereto.
2. Borrowing Base Certificate. A Borrowing Base Certificate duly executed by an Authorized Officer of Borrower.
3. Notice of Advance. An original Notice of Advance duly executed by an Authorized Officer of Borrower.
4. Warrants. Common share purchase warrants, in a form satisfactory to Lender, to acquire 225,000 common shares in the capital of the Borrower for a period of 60 months, with an exercise price equal to 25% above the closing price as of the Closing Date, provided that the delivery of same shall be completed in accordance with, and subject to, Section 2.3 of this Agreement.

COLLATERAL DOCUMENTS

1. Acknowledgement Copies of Financing Statements. Acknowledgement copies of proper financing statements and notices of recording under the PPSA duly filed in all jurisdictions as may be necessary or, in the opinion of Lender, desirable to perfect Lender's Lien on the Collateral.
2. Searches. Certified copies of PPSA searches or other evidence satisfactory to Lender, listing all effective financing statements and recordations which name Borrower and each other applicable Credit Party (under present name, any previous name or any trade or doing business name) as debtor and together with copies of such other financing statements.
3. GSAs/Hypothecs. General security agreements and hypothecs of moveable property from each Credit Party granting a first priority Lien, subject to Permitted Encumbrances, in favour of Lender, in form and substance satisfactory to Lender in its sole, unfettered discretion (but not contradicting the terms hereof).
4. Pledge of Shares. A pledge of all of the issued and outstanding shares of each direct and indirect Subsidiary of the Borrower, including as at the Closing Date, each of the Guarantors, together with the original share certificates representing such shares.
5. Intellectual Property Documents. Agreements relating to the granting to Lender of a security interest in Intellectual Property of Borrower to the extent applicable in a form suitable for filing with the appropriate federal filing office.
6. Other Recordings and Filings. Evidence of the completion of all other recordings and filings (including termination statements and other Lien release documentation) as may be necessary or, in the opinion of and at the request of Lender, desirable to perfect Lender's Lien on the Collateral and ensure such Collateral is free and clear of other Liens (except Permitted Encumbrances).
7. Accounts Receivable Insurance. If any Credit Party obtains any accounts receivable insurance, an assignment of accounts receivable insurance in favour of Lender in a form satisfactory to Lender.



THIRD PARTY AGREEMENTS

1. Landlord and Mortgagee Consents. Unless otherwise agreed to in writing by Lender, duly executed landlord (in form and substance satisfactory to Lender in its sole discretion), bailee, third party distributor and mortgagee waivers and consents from the landlords, bailees, third party distributors and mortgagees of all of Borrower's leased or owned locations where Collateral is held, in each case, in form and substance satisfactory to Lender.
2. Cash Management System. Duly executed Blocked Accounts Agreement and, if required by Lender, pledged account agreements in respect of the Disbursement Accounts as contemplated by Schedule C.
3. Guarantees and Postponements. Guarantees and Postponements of Claim executed by the following each of the Guarantors.

OTHER DOCUMENTS

1. Insurance Policies. Originals or copies of insurance policies described in Section 3.16, together with evidence showing loss payable or additional insured clauses or endorsements in favour of Lender.
2. Existing Lease Agreements. Copies of any existing real property leases and equipment leases to which Borrower is a party and any other document or instrument evidencing or relating to existing Indebtedness of Borrower, together with all certificates, opinions, instruments, security documents and other documents relating thereto, all of which shall be satisfactory in form and substance to Lender, certified by an Authorized Officer of Borrower as true, correct and complete copies thereof.
3. CRA Consent. Canada Revenue Agency ("**CRA**") business consent form whereby each Credit Party requested by Lender provides its authorization and consent for Lender to communicate directly with CRA.



SCHEDULE F

MATERIAL CONTRACTS

1. Sub-Lease Agreement dated January 1, 2019 with Irene's Bakery Ltd., in respect of the Victoria.
2. The Lease Agreement with Hudson Retail Inc., (current location of the Victoria Butcher Shop & Restaurant)
3. Industrial Lease with MPW Properties Partnership in respect of the Rupert Facility.
4. dated January 22, 2020 with Nicola V.A. Nickel Inc. in respect of Mount Pleasant.
5. The Lease Agreement dated August 31, 2020 with Traina Pacific, Inc. in respect of the Patterson Facility.
6. Lease dated September 22, 2020 with Khanuja Investments Ltd. (new location of the Victoria Butcher Shop & Restaurant).



EXHIBIT A

FORM OF NOTICE OF ADVANCE

(Letter to be typed on Borrower's Letterhead)

[DATE]

Waygar Capital Inc.
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: Aaron Ehgoetz, Mark Wilk and Don Rogers
Email: aehtoetz@waygarcapital.com, mwilk@waygarcapital.com, and drogers@waygarcapital.com

BORROWING NOTICE

We refer to the loan agreement dated as of June 7, 2021 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "**Agreement**"; capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement), among The Very Good Food Company Inc. ("**Borrower**") and Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Lender**").

We hereby instruct and authorize Lender to make Revolving Credit Advances to our disbursement account(s), subject to and in accordance with the terms and provisions of the Agreement to the account numbers specified below and to charge Borrower's loan account with each such Revolving Credit Advance(s).

Borrower hereby request an advance (the "**Advance**") be made as follows:

A. The date of Advance: _____

B. Type/amount of Advance:

Canadian Dollar Interest Rate based Advance (CAD\$): _____

US Dollar Interest Rate based Advance (US\$): _____

C. Proceeds of the Advance are to be directed as follows:

CAD\$ #: _____

US\$ #: _____

Borrower hereby confirms as follows:

- (a) Each of the representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and



as of the date hereof as if made on and as of such date, except as Lender may have otherwise agreed to herein or in a separate writing.

- (b) No Default has occurred as of the date hereof or will occur after the making of the Advance(s) requested hereunder.

DATED this __ day of _____, 20__.

BORROWER:

THE VERY GOOD FOOD COMPANY INC.

By: _____

Name:

Title:



EXHIBIT B

OTHER REQUIRED REPORTS AND INFORMATION

Nil

A handwritten signature in blue ink, consisting of a large, stylized initial 'G' followed by a series of loops and a final downward stroke.

EXHIBIT C

FORM OF BORROWING BASE CERTIFICATE

(See Attached)



TO: **WAYGARCAPITAL**
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1



Date: _____

Report #: _____

Facility Limit Revolver \$ **20,000,000**
 Facility Limit Term Loan \$ **50,000,000**

Facility #		01	02	11	12	13	20
Date of Collateral		CAD\$	CAD\$	CAD\$	CAD\$	CAD\$	CAD\$
Currency							
Collateral		AR - VGFC	AR - NUT	Raw Materials	Packaging	Finished Goods	Machinery & Equipment
1	Balance Carried Forward from Line 4 of Prior Certificate						
2	Additions Since Prior Certificate (Gross Sales / Purchases)						
3	Subtractions Since Prior Certificate (Gross Collections / Cost of Goods Sold)						
3a	Credit Notes	-	-				
3b	Non A/R Cash	-	-				
3c	Other Adjustments (Decreases)/ Increases since Prior Certificate (FX)	-	-			-	-
4	Balance at Computation Date (1+2+3)***	-	-	-	-	-	-
5	Less Ineligibles						
6	Net Eligible Collateral (4-5)						
7	Advance Rate	85.00%	85.00%	65.00%	65.00%	65.00%	85.00%
8	Borrowing Base Availability (6*7)	-	-	-	-	-	-
9	Sublimit Per Collateral Category				3,000,000.00		
10	Net Borrowing Base Availability (Lessor of 8 or 9)	-	-	-	-	-	-

AVAILABILITY

11	Total Borrowing Base	
12	Reserve - Employee Taxes, WEPPA	
	Reserves - Interest, monitoring fees	
	Reserves - Closing Fees & other	
	Total Reserves	
	Total Net Availability	
13	Loan Balance(s)	
14	Excess Available before Borrowing	
15	Today's Requested Advance	
16	Excess Available after Borrowing (14-15)	

-
-
-
-
-
-
-
-
-
-
-
-
-
-
-

By: Kamini Hitkari

Title: CFO

We refer to the Loan Agreement between Very Good Food Company Inc. and Lender dated ___ TSD (the "Loan Agreement"). Terms used but not otherwise defined in this Certificate have the meaning provided for in the Loan Agreement.
 Borrower hereby certifies and warrants to you that the following is a true and correct computation as of the date set forth above (the "Computation Date") of the Borrowing Base, and all account balance changes since the previous Borrowing Base Certificate provided to you (the "Prior Certificate").

Very Good Ineligibles	
AR (VGFC)	31-Mar
Past Due AR > 60 days past invoice date	20,000
Credits in Prior	-
Cross Age - 50%	-
Contra/Deferred Revenue	-
Dilution Reserve - 5.5%	8,910
Interco / Related Party	-
Bill & Hold	-
Volume Rebates	-
Debit Memos	-
Account in Collections	-
Concentration Reserve	-
	28,910.00
AR (CULTURED NUT)	31-Mar
Past Due AR > 60 days past invoice date	-
Credits in Prior	-
Cross Age - 50%	-
Contra/Deferred Revenue	-
Dilution Reserve - 5.5%	1,320
Interco / Related Party	23,000
Bill & Hold	-
Volume Rebates	-
Debit Memos	-
Account in Collections	-
Concentration Reserve	-
	24,320.00
RAW MATERIALS	31-Mar
Packaging and Suppliers	-
Ineligible Locations <\$50M	15,000
Costing Error - FG Conversion Costs	-
	15,000.00
PACKAGING & SUPPLIES	31-Mar
Packaging and Suppliers	325,000
Ineligible Locations <\$50M	-
Costing Error - FG Conversion Costs	-
	325,000.00
FINISHED GOODS	31-Mar
Packaging and Suppliers	-
Ineligible Locations <\$50M	31,000
Costing Error - FG Conversion Costs	113,000
	144,000.00

Very Good Reserves						
<u>RESERVES</u>	<u>GL A/C #</u>	<u>31-Mar</u>				
GST Billed						
GST Input Tax Credits						
BC Sales tax billed						
Unpaid Source Deductions	Per AP	5,038.00				
WEPPA		350,000.00				
Other						
Total Reserve - Employee Taxes, WEPPA		355,038.00				
Monthly Interest			are we reserving			
Monitoring Fee		5,000.00				
Other		-				
Total Reserves - Interest, monitoring fees		5,000.00				
Payable to 3PLs		11,000.00				
Closing Fee		630,000.00				
Rent Reserve		264,000.00				
Other		-				
Total - Other Reserves		905,000.00				

Very Good AR Ineligibles Calculations

Please insert AR Ineligible calculations



Total Sales \$ -

Please insert subledger

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'G' with a long, sweeping tail that extends downwards and to the left.

Total Collections \$ -0-

Please insert subledger

A handwritten mark or signature in blue ink, consisting of a stylized, circular shape with a tail extending to the right.

Total Credits \$ -

Please insert subledger

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'B' with a small loop at the bottom left.

Total Non AR Cash \$ -

Please insert subledger

A handwritten mark or signature in blue ink, consisting of a stylized, circular shape with a tail extending to the right.

Total Other adjustments \$ -



In addition please submit

- AR Summary aging
- AR Detailed aging
- AP Summary aging
- Bank Statements
- Trial Balance / General Ledger
- Priority Payables POP

A handwritten signature in blue ink, consisting of several loops and a long tail, located in the bottom right corner of the page.

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Lender**")

The undersigned, _____ **[TITLE of AUTHORIZED OFFICER]**, of The Very Good Food Company Inc. ("**Borrower**"), pursuant to the provisions of the loan agreement dated as of June 7, 2021, among, *inter alia*, Lender and Borrower (as amended, restated, supplemented, replaced or otherwise modified from time to time the "**Agreement**"), **DOES HEREBY CERTIFY** in **[his/her]** capacity as an authorized officer of Borrower and not in **[his/her]** personal capacity that:

1. The Financial Statements attached hereto fairly and accurately represent Credit Parties' financial condition at the end of the particular accounting period set out in such Financial Statements, as well as Credit Parties' operating results during such accounting period, subject to year-end audit adjustments;
2. A review of such Financial Statements and of the activities of Credit Parties' during the period covered by such Financial Statements has been made under my supervision with a view to determining whether Borrower and the Subsidiaries have fulfilled all of their obligations;
3. From the commencement of the accounting period set out in such Financial Statements to the date hereof:
 - (a) each of Credit Parties has fulfilled each of its respective obligations under each of the Loan Documents to which it is a party;
 - (b) there has been no Default or Event of Default under the Agreement;
 - (c) Borrower is not aware of any event or circumstance which could reasonably have or could reasonably have had a Material Adverse Effect;
 - (d) the representations and warranties contained in the Agreement and the other Loan Documents are correct in all material respects on and as of the date hereof as though made on and as of such date, other than any such representation or warranty which relates to a specified prior date and except to the extent that Lender has been notified in writing by Borrower that any representation or warranty is not correct and Lender has explicitly waived in writing compliance with such representation or warranty;
 - (e) Credit Parties have been in full compliance with all covenants set out in the Agreement, including Financial Covenants as evidenced by the calculations attached hereto as Attachment 1 (but, for certainty, subject to the proviso at the end of Section 5.1);
 - (f) no new Subsidiaries were formed or acquired since the end of the previous Fiscal Quarter **[other than each of the following which have become Credit Parties in accordance with Section 3.7 or 5.2(a) of the Credit Agreement]: [If acquired or formed, indicate for each such Subsidiary, the date of the formation or acquisition];**
 - (g) no change in GAAP or in the application thereof has occurred since the date of the most recent audited annual Financial Statements of Borrower delivered to Lender **[If a change has occurred, specify the details of the change and its effect on the accompanying Financial Statements];** and



[if any of the foregoing is incorrect, revise wording accordingly to include particulars of any variation.]

4. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate on behalf of Borrower as of the _____ day of _____, 20__.

By: _____

Name:

Title of Authorized Officer

A handwritten signature in blue ink, consisting of stylized, overlapping loops and curves.

ATTACHMENT "1" TO EXHIBIT D

FINANCIAL COVENANTS

COMPANY NAME THE VERY GOOD FOOD COMPANY INC.

QUARTERLY CERTIFICATE _____ 20__

A. ■



DISCLOSURE SCHEDULE (3.2)
CORPORATE NAMES

Credit Party	Chief Executive Office	Corporate Offices	Warehouses and other locations of collateral	Other trade names etc.
The Very Good Food Company Inc.	2748 Rupert Street, Vancouver, BC	<p>2748 Rupert Street, Vancouver, BC</p> <p>#300 - 225 West 8th Avenue, Vancouver, BC (Co-working office space pursuant to Membership Agreement)</p>	<p>2748 Rupert Street, Vancouver, BC;</p> <p>2768 Rupert Street, Vancouver, BC;</p> <p>2774 Rupert Street, Vancouver, BC;</p> <p>2788 Rupert Street, Vancouver, BC;</p> <p>295 West 5th Avenue, Vancouver, BC;</p> <p>2527 Government Street, Victoria, BC;</p> <p>S12 - 1701 Douglas St #6, Victoria, BC V8W 0C1 - to be replaced with new restaurant location - at 102 – 515 Chatham Street, Victoria, BC in late June 2021;</p> <p>941 Ellery St., Victoria, BC;</p> <p>Suite 110-2630 Bridge St., Victoria, BC;</p> <p>Suite 112 – 2614 Bridge St., Victoria, BC;</p> <p>Unit #6, 744 Fairview Road, Victoria, BC;</p> <p><u>Third party locations:</u></p> <p>18351 McCartney Way, Richmond, BC (CDS)</p> <p>1000 Centerpoint Blvd. New Castle, DE (Burris)</p>	The Very Good Butchers

Credit Party	Chief Executive Office	Corporate Offices	Warehouses and other locations of collateral	Other trade names etc.
			340 S. 1st Street, Patterson, CA (SPWG) 101 937 Dunford Ave., Victoria BC (Coldstar)	
The Very Good Butchers Inc.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A
1218158 B.C. Ltd.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A
1218169 B.C. Ltd.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A
VGFC Holdings LLC	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	220 S. 1 st Street, Patterson, CA	N/A
The Cultured Nut Inc.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	Unit #6, 744 Fairview Road, Victoria, BC	N/A
Lloyd-James Marketing Group Inc.	2748 Rupert Street, Vancouver, BC	2748 Rupert Street, Vancouver, BC	N/A	N/A

DISCLOSURE SCHEDULE (3.6)**REAL ESTATE; PROPERTY**

Credit Party	Owned Real Property	Leased/Licensed Real Property
The Very Good Food Company Inc.	None.	S12 – 6-1701 Douglas Street, Victoria, BC; 102 – 515 Chatham Street, Victoria, BC; Suite 110-2630 Bridge St., Victoria, BC; 941 Ellery St., Victoria, BC; Suite 112 – 2614 Bridge St., Victoria, BC; 2748 Rupert Street, Vancouver, BC; 2768 Rupert Street, Vancouver, BC; 2774 Rupert Street, Vancouver, BC; 2788 Rupert Street, Vancouver, BC; 295 West 5 th Avenue, Vancouver, BC; and 2527 Government Street, Victoria, BC.
The Very Good Butchers Inc.	None.	None.
1218158 B.C. Ltd.	None.	None.
1218169 B.C. Ltd.	None.	None.
VGFC Holdings LLC	None.	220 S. 1 st Street, Patterson, CA
The Cultured Nut Inc.	None.	None.
Lloyd-James Marketing Group Inc.	None.	None.

DISCLOSURE SCHEDULE (3.7)
SHARES; AFFILIATES

Credit Party	Shareholders	Options/Warrants etc.
The Very Good Food Company Inc.	Widely held (public)	See Below
The Very Good Butchers Inc.	The Very Good Food Company Inc. - 1 Common Share	None
1218158 B.C. Ltd.	The Very Good Food Company Inc. - 1 Common Share	None
1218169 B.C. Ltd.	The Very Good Food Company Inc. - 1 Common Share	None
VGFC Holdings LLC	The Very Good Food Company Inc. - 100% Interest	None
The Cultured Nut Inc.	The Very Good Food Company Inc. - 100 Class A Non-Voting Common Shares	None
Lloyd-James Marketing Group Inc.	The Very Good Food Company Inc. - 10,000 Common Shares	None

Outstanding Warrants and Stock Options of The Very Good Food Company Inc.

Warrants

The following table summarizes information about warrants of The Very Good Food Company Inc.'s warrants that are outstanding and exercisable at June 1, 2021. Warrants are exercisable only for common shares, unless otherwise noted.:

Exercise price	Expiry date	Warrants outstanding
\$ 1.60	August 13, 2021	45,000
\$ 1.51	October 6, 2021	60,000
\$ 7.60	December 21, 2021	60,000
\$ 1.30	February 7, 2022	12,862*
\$ 2.00	February 7, 2022	564,283
\$ 2.00	February 13, 2022	44,232
\$ 3.50	June 4, 2022	57,441**
\$ 4.50	June 4, 2022	1,552,633
		2,396,451

* Exercisable to acquire one unit at \$1.30 per unit until February 7, 2022. Each unit consists of one common share and one-half of one warrant, with each whole warrant exercisable at \$2.00 until February 7, 2022.

** Exercisable to acquire one unit at \$3.50 per unit until June 4, 2022. Each unit consists of one common share and one-half of one warrant, with each whole warrant exercisable at \$4.50 until June 4, 2022.

Options

The following is a summary of the options that have been issued to directors, officers, employees and consultants of The Very Good Food Company Inc. pursuant to its stock option plan and are outstanding as at June 1, 2021.

Exercise price	Stock options outstanding	Stock options exercisable	Expiry date
\$ 1.31	10,000	10,000	August 19, 2021
\$ 9.07	5,000	2,500	December 7, 2023
\$ 6.21	390,000	–	January 4, 2024
\$ 7.10	60,000	–	January 26, 2024
\$ 7.03	900,000	25,000	January 29, 2024
\$ 6.73	75,000	–	February 16, 2024
\$ 5.72	35,000	–	March 8, 2024
\$ 0.25	1,006,500	1,006,500	December 31, 2024
\$ 0.25	1,262,500	1,262,500	January 1, 2025
\$ 0.25	165,000	165,000	June 17, 2025
\$ 1.31	100,000	100,000	June 24, 2025
\$ 1.56	50,000	50,000	August 7, 2025
\$ 1.65	30,000	30,000	September 4, 2025
\$ 1.70	5,506	2,753	September 17, 2025
\$ 1.68	250,000	166,667	September 21, 2025
\$ 1.60	100,000	100,000	October 7, 2025
\$ 1.74	16,666	16,666	October 13, 2025
\$ 4.65	522,300	330,825	November 24, 2025
\$ 8.86	150,000	37,500	December 5, 2025
\$ 7.03	2,300,000	25,000	January 29, 2026
\$ 6.21	750,000	750,000	March 4, 2026
	8,183,472	4,080,911	

DISCLOSURE SCHEDULE (3.9)

TAXES

Nil.



DISCLOSURE SCHEDULE (3.11)

PENSION PLANS

Nil.

A handwritten signature or mark in blue ink, located in the bottom right corner of the page. It appears to be a stylized, cursive letter 'G' or a similar symbol.

DISCLOSURE SCHEDULE (3.12)

LITIGATION

Nil.

A handwritten signature or set of initials in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of a large 'G' followed by a flourish.

DISCLOSURE SCHEDULE (3.13)**MATERIAL INTELLECTUAL PROPERTY****Trademarks**

The following trademarks have either been applied for, or registered, in the United States:

- (i) The Very Good Butchers/Plant Based Butchery logo (with British Columbia reference and Maple Leaf) – Registration No. 6,342,668
- (ii) Our old Very Good Food Co. logo – Application submitted and under review - Serial No. #88673876
- (iii) We Butcher Beans logo – Application submitted and under review – Serial No. #88758241

The following trademarks have been applied for in Canada:

- (i) The Very Good Butchers /Plant Based Butchery logo (with British Columbia reference and Maple Leaf) – Application No. 1993204
- (ii) Our old Very Good Food Co. logo – Application No. 1993200
- (iii) We Butcher Beans logo – Application No. 2005415

The following trademarks have been registered in the European Union

- (i) The Very Good Butchers /Plant Based Butchery logo (with British Columbia, Canada reference) – Registration No. 018293272
- (ii) Our old Very Good Food Co. logo – Registration No. 018142796
- (iii) “We Butcher Beans” word mark – Registration No. 018142798

The following trademarks have been registered in the United Kingdom:

- (i) The Very Good Butchers /Plant Based Butchery logo (with British Columbia, Canada reference) – Registration No. 00918293272
- (ii) Our old Very Good Food Co. logo – Registration No. 00918142796
- (iii) “We Butcher Beans” word mark – Registration No. 00918142798

Trade Secrets

Certain proprietary information related to recipes, formulas and production methods.

DISCLOSURE SCHEDULE (3.15)

ENVIRONMENTAL MATTERS

Nil.

A handwritten signature or set of initials in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of several loops and a long horizontal stroke.

DISCLOSURE SCHEDULE (3.16)**INSURANCE**

Name of Insured	Insurer	Policy Number	Policy Type
The Very Good Food Company Inc.	Intact Insurance Company	5O2510950	Property and Equipment
The Very Good Food Company Inc.	Intact Insurance Company	5O2510950	Commercial General Liability
The Very Good Food Company Inc.	RSA through Coast Underwriters Limited Company	WC2021/83	Marine Cargo
The Very Good Food Company Inc.	Intact Insurance Company	50C589825	Builder's Risk (locations under construction)
The Very Good Food Company Inc.	Intact Insurance Company	5EB589827	Builder's Risk Equipment Breakdown (locations under construction)
The Very Good Food Company Inc.	Zurich Insurance Company	8618196	Directors and Officers Liability
The Very Good Food Company Inc.	Axis Reinsurance Company	8618196	1 st Excess Directors and Officers Liability
The Very Good Food Company Inc.	Allied World Specialty Insurance Company	8618196	Side 'A' Excess Directors and Officers Liability

DISCLOSURE SCHEDULE (5.2(B))**INDEBTEDNESS**

- Lease agreement 10944540 between The Cultured Nut Inc. and Bodkin Capital Corporation
- Lease agreement 50010300 between The Cultured Nut Inc. and Bodkin, a Division of Bennington Financial Corp.
- Lease agreement 20001270 between The Very Good Butchers Inc. and Equirex, a Division of Bennington Financial Corp.
- Equipment lease regarding PDC 700 trolley mounted sausage clipper between The Very Good Butchers Inc. and Arbutus Capital Leasing Ltd.
- Equipment leases between The Very Good Food Company Inc. and Reiser (Canada) Co.
- Vehicle lease between The Very Good Food Company Inc. and Form Credit Canada Leasing, Division of Canadian Road Leasing Company
- Equipment leases between The Very Good Food Company Inc. and ATCO Structures & Logistics Ltd.
- Equipment lease between The Very Good Food Company Inc. and Toyota Industries Commercial Finance
- \$100,000 Cash Secured Credit Card Facility between The Very Good Food Company Inc. and Royal Bank of Canada (without duplication of the same Indebtedness permitted pursuant to Section 5.2(b))
- \$900,000 of Indebtedness to be incurred in connection with the Borrower's Global Payment Transfer Systems provided by Royal Bank of Canada (without duplication of the same Indebtedness permitted pursuant to Section 5.2(b))



DISCLOSURE SCHEDULE (5.2(E))**LIENS**

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
The Cultured Nut Inc.	Bodkin Capital Corporation	798058K	JUN 01, 2018	JUN 01, 2022	<p>PURSUANT TO LEASE AGREEMENT 10944540, ALL PRESENT AND FUTURE</p> <p>EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 10944540 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE,</p> <p>ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY</p> <p>DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF</p> <p>TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR</p> <p>COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING: R30T ROBOT COUPE S/N 6270112013L-02</p>
The Cultured Nut Inc.	Bodkin, a Division of Bennington Financial Corp.	319728M	JUL 06, 2020	JUL 06, 2026	<p>PURSUANT TO LEASE AGREEMENT 50010300, ALL PRESENT AND FUTURE EQUIPMENT</p> <p>ENCOMPASSED BY LEASE AGREEMENT 50010300 TOGETHER WITH ALL ATTACHMENTS</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN</p> <p>ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH</p> <p>COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT,</p> <p>INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS,</p> <p>RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY</p> <p>AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND</p> <p>ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE</p> <p>TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT</p> <p>LIMITED TO THE FOLLOWING 1 MKET20T 20QT ELECTRIC MIXER KETTLE</p>
The Cultured Nut Inc.	Bodkin, a Division of Bennington Financial Corp.	585129M	NOV 10, 2020	NOV 10, 2026	<p>PURSUANT TO LEASE AGREEMENT 50011880, ALL PRESENT AND FUTURE EQUIPMENT</p> <p>ENCOMPASSED BY LEASE AGREEMENT 50011880 TOGETHER WITH ALL ATTACHMENTS</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN</p> <p>ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS,</p> <p>RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY</p> <p>AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND</p> <p>ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE</p> <p>TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT</p> <p>LIMITED TO THE FOLLOWING 1 1343 IRINOX 1343 / ICY SMALL - SMALL BLAST</p> <p>CHILLER/SHOCK FREEZER</p>
The Very Good Food Company Inc.	Resier (Canada) Co.	305464M	JUN 29, 2020	JUN 29, 2025	<p>ONE AMFEC 510 MIXER BLENDER.</p> <p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND</p> <p>INCLUDING ALL PROCEEDS THEREOF.</p>
The Very Good Food Company Inc.	Resier (Canada) Co.	305475M	JUN 29, 2020	JUN 29, 2025	<p>ONE VEMAG HP-20E CONTINUOUS STUFFER AND LOADER, ONE VEMAG HP-3 CO-EX</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>(ALGINATE) GEL PUMP, ONE VEMAG CC215 CRIMPER/CUTTER AND OPTIONS, ONE</p> <p>IN-LINE GRINDER-982 WITHOUT SEPARATING, ONE CUT-OFF AND FLATTENING</p> <p>CONVEYOR, ONE SEYDELMANN AC-CUTTER K-556 AC-8, ONE AMFEC 510 C02</p> <p>MIXER BLENDER WITH PLC CONTROLS AND VACUUM SYSTEM ONLY, ONE AMFEC 2-3K2 COLUMN DUMPER WITH PORTABLE BASE, AND QUANTITY OF 10 VEMAG CARTS.</p> <p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND</p> <p>INCLUDING ALL PROCEEDS THEREOF.</p>
The Very Good Food Company Inc.	Resier (Canada) Co.	707758M	JAN 14, 2021	JAN 14, 2028	<p>ONE AMFEC MODEL 510 VACUUM MIXER BLENDER W/C02.</p> <p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.
The Very Good Food Company Inc.	Resier (Canada) Co.	711288M	JAN 15, 2021	JAN 15, 2026	ONE SEYDELMANN K756 AC-8 CUTTER ON SALES AGREEMENT RCC-20-0468.4.R2, DATED AND SIGNED JANUARY 6, 2021. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.
The Very Good Food Company Inc.	Resier (Canada) Co.	711351M	JAN 15, 2021	JAN 15, 2026	TWO AMFEC BRINE TANKS (400 GALLON), ONE AMFEC WORK PLATFORM FOR BRINE TANKS, TWO AMFEC MODEL 15C DIRECT PIVOT DUMPERS, TWO AMFEC 2- 3K2 COLUMN DUMPERS, TWO AMFEC 510 CO2 MIXER BLENDEES (2,500 LB), ONE AMFEC WORK PLATFORM FOR AMFEC MIXERS. QTY OF 20 - VEMAG CARTS (200 LITRE), AND ONE VEMAG PARTS STORAGE CART. SALES AGREEMENT RCC-20-0468.4.R2, DATED AND SIGNED JANUARY 6, 2021.

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY</p> <p>OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND</p> <p>INCLUDING ALL PROCEEDS THEREOF.</p>
The Very Good Food Company Inc.	<p>Ford Credit Canada Leasing, Division</p> <p>Of Canadian Road Leasing Company</p>	744902M	FEB 02, 2021	FEB 02, 2024	<p>TYPE: MV</p> <p>SERIAL #: 1FTFW1E59MKD03176</p> <p>YEAR: 2021</p> <p>MAKE/MODEL: FORD F150</p> <p>MH REG.#</p>
The Very Good Food Company Inc.	ATCO Structures & Logistics Ltd.	747569M	FEB 03, 2021	EB 03, 2022	<p>TYPE: MH</p> <p>SERIAL #: 260200512</p> <p>YEAR: 2020</p> <p>MAKE/MODEL: OFFICE 12X60</p> <p>MH REG.# NR</p> <p>TYPE: MH</p> <p>SERIAL #: 260209897</p> <p>YEAR: 2020</p> <p>MAKE/MODEL: OFFICE 12X60</p> <p>MH REG.# NR</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
The Very Good Food Company Inc.	Toyota Industries Commercial Finance Canada, Inc.	753878M	FEB 05, 2021	FEB 05, 2026	MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS, ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT)
The Very Good Food Company Inc.	Royal Bank of Canada	398441M	AUG 12, 2020	AUG 12, 2025	MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS,

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS),</p> <p>MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.</p>
The Very Good Butchers Inc.	<p>Equirex, a Division of Bennington Financial Corp.</p>	153958L	NOV 15, 2018	NOV 15, 2022	<p>PURSUANT TO LEASE AGREEMENT 20001270, ALL PRESENT AND FUTURE EQUIPMENT</p> <p>ENCOMPASSED BY LEASE AGREEMENT 20001270 TOGETHER WITH ALL ATTACHMENTS</p> <p>ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND</p> <p>IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN</p> <p>ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH</p> <p>COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS,</p> <p>RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY</p> <p>AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND</p> <p>ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE</p> <p>TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT</p>

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					LIMITED TO THE FOLLOWING 1 FREY KONTI F50 CONTINUOUS VACUUM FILLER
The Very Good Butchers Inc.	Arbutus Capital Leasing Ltd.	253571L	JAN 09, 2019	JAN 09, 2023	<p>(1) PDC 700 TROLLEY MOUNTED SAUSAGE CLIPPER</p> <p>TOGETHER WITH ALL ATTACHMENTS, PARTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO,</p> <p>ALL EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN,</p> <p>ALL PROPERTY TO WHICH THE GOODS DESCRIBED HEREIN MAY BECOME ATTACHED, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY</p> <p>FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN</p> <p>INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES</p> <p>FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.</p> <p>PROCEEDS-ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY THAT MAY</p> <p>BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL</p> <p>DESCRIBED ABOVE AND ANY PROCEEDS THEREOF.</p>
The Very Good Butchers Inc.	Silver Chef Rentals Inc	042984M	FEB 04, 2020	FEB 04, 2022	ALL RESTAURANT, FOOD-PREPARATION/MANUFACTURING/PACKAGING,

<u>Debtor</u>	<u>Secured Party</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiry Date</u>	<u>Collateral Description</u>
					<p>DRINKPREPARATION/DISPENSING, REFRIGERATION/FREEZER INCLUDING WALK-INS, FOOD-DISPLAY, DISH/GLASS WASHING, ICE MACHINES,</p> <p>ICE CREAM EQUIPMENT, VENTILATION, STAINLESS STEEL EQUIPMENT,</p> <p>SMALL WARES, FURNITURE, AUDIO VISUAL, POINT-OF-SALE, COMPUTERS AND RELATED EQUIPMENT, AND ALL OTHER GOODS, FROM TIME TO TIME HIRED OUT,</p> <p>LEASED, OTHERWISE SUPPLIED OR FINANCED BY THE SECURED PARTY (DIRECTLY OR INDIRECTLY) TO OR FOR THE BENEFIT OF THE DEBTOR</p> <p>(INCLUDING WITHOUT LIMITATION THOSE SUPPLIED FROM TIME TO TIME PURSUANT TO ANY EXISTING OR FUTURE RENTAL OR LEASE AGREEMENTS).</p> <p>ALL PROCEEDS THAT ARE GOODS, INTANGIBLES, INSTRUMENTS, MONEY, DOCUMENTS OF TITLE, CHATTEL PAPER AND INVESTMENT PROPERTY.</p>

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "Amendment") is made as of the 6th day of July, 2022, among **WAYGAR CAPITAL INC., AS AGENT FOR NINEPOINT CANADIAN SENIOR DEBT MASTER FUND L.P.** (the "Lender"), **THE VERY GOOD FOOD COMPANY** (the "Borrower") and each of **1218169 B.C. LTD., 1218158 B.C. LTD., THE VERY GOOD BUTCHERS INC., THE CULTURED NUT INC., LLOYD-JAMES MARKETING GROUP INC.,** and **VGFC HOLDINGS LLC** (collectively, the "Guarantors").

RECITALS

- A. The Lender, the Borrower and the Original Guarantors entered into a loan agreement dated June 7, 2021 (as amended, restated, supplemented or replaced from time to time, the "Loan Agreement"), and
- B. The Borrower has requested, and the Lender has agreed subject to the terms and conditions hereof, to make certain amendments to the terms of the Loan Agreement.

NOW THEREFORE, in consideration of the covenants and agreements contained in this Amendment, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Loan Agreement.
2. **Amendments to Loan Agreement.** The Loan Agreement is hereby amended by deleting Schedule D to the Loan Agreement and replacing it with Annex D attached hereto.
3. **Acknowledgment and Confirmation.** The Security Agreements (including, without limitation, any guaranties) shall continue in full force and effect as general continuing collateral security for any and all of the indebtedness, liabilities and obligations of the Borrower and the Original Guarantors to the Lender, and the Security Agreements given by the Borrower and the Original Guarantors, and the security interests created by the Security Agreements shall charge the property of the Borrower and the Original Guarantors in accordance with the terms thereof.
4. **Conditions Precedent.** The effectiveness of this Amendment shall be conditional upon each of the following, each of which must be fulfilled by the Credit Parties in form and substance satisfactory to the Lender or waived by the Lender in writing prior to the effectiveness hereof
 - (a) receipt, by the Lender, of an executed copy of this Amendment; and
 - (b) receipt, by the Lender, of the \$630,000 portion of the Facility Fee due on the date that is 364 days after the Closing Date.
5. **Undertaking.** The Borrower undertakes and agrees to, by not later than 60 days from the date hereof, to enter into a further amendment to the Loan Agreement to the Loan Agreement, to (a) address the closing of bank accounts and the delivery of the Blocked Account Agreement; (b) update any disclosure schedules to the Loan Agreement; and (c) amend reporting requirements, all together with such changes and updates as the parties may further agree, and to provide all of the documents, instruments and security reasonably required by the Lender in connection therewith. Failure to comply with the foregoing undertaking will be an Event of Default under the Loan Agreement.
6. **Representations and Warranties.** Each of the Credit Parties hereby represents and warrants to the Lender as follows:




- (a) it has all requisite power and authority to execute this Amendment and any other agreements or instruments required hereunder and to perform all obligations hereunder, and this Amendment constitutes legal, valid and binding obligations, enforceable in accordance with its terms;
 - (b) the execution, delivery and performance by it of this Amendment and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate or other action and do not require any authorization, consent or approval by any Governmental Entity or other Person, or violate any Applicable Laws;
 - (c) all of the representations and warranties contained in Loan Agreement are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date; and
 - (d) no Event of Default has occurred.
7. **References.** All references in the Loan Agreement to "this Agreement" shall be deemed to refer to the Loan Agreement as amended hereby; and any and all references in the other Loan Documents to the Loan Agreement shall be deemed to refer to the Loan Agreement as amended hereby. This Amendment is a Credit Document.
8. **No Other Changes.** Except as explicitly amended by this Amendment, all of the terms and conditions of the Loan Agreement shall remain in full force and effect and un-amended hereby.
9. **Costs and Expenses.** The Borrower reaffirms its agreement under the Loan Agreement to pay or reimburse the Lender on demand for all costs and expenses incurred by the Lender in connection with the Loan Documents, including without limitation all reasonable fees and disbursements of legal counsel. Without limiting the generality of the foregoing, the Borrower specifically agrees to pay all fees and disbursements of counsel to the Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto.
10. **Miscellaneous.** This Amendment may be executed in any number of counterparts and delivered by emailed PDF by or other similar electronic method, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Amendment.
11. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario applied to contracts to be performed wholly within the Province of Ontario.

[SIGNATURE PAGE FOLLOWS]

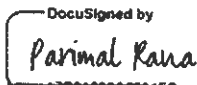


IN WITNESS WHEREOF the Parties hereto have executed this Amendment as of the date first written above.

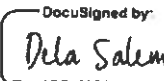
**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

By: 
Name: SAMEH BRUCK
Title: VICE PRESIDENT


THE VERY GOOD FOOD COMPANY INC.

By: 
Name: Parimal Rana
Title: Chief Executive Officer

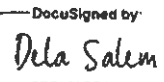
1218169 B.C. LTD.

By: 
Name: Dela Salem
Title: Director

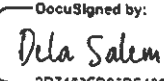
1218158 B.C. LTD.

By: 
Name: Dela Salem
Title: Director

THE VERY GOOD BUTCHERS INC.

By: 
Name: Dela Salem
Title: Director

THE CULTURED NUT INC.

By: 
Name: Dela Salem
Title: Director



LLOYD-JAMES MARKETING GROUP INC.

DocuSigned by:
By: DeLa Salem
Name: DeLa Salem
Title: Director

VGFC HOLDINGS LLC

DocuSigned by:
By: DeLa Salem
Name: DeLa Salem
Title: Director



**ANNEX D
UPDATED SCHEDULE D**

SCHEDULE D

FEES

1. **Unused Line Fee:** For each day from the Closing Date, and through and including the Commitment Termination Date, an amount equal to the then applicable Maximum Amount in respect of the Revolving Credit Loan, less the aggregate of the aggregate amount of Advances outstanding under the Revolving Credit Loan at the end of each day, multiplied by 1% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the Unused Line Fee is payable. The Unused Line Fee for each month (except for the month in which the Commitment Termination Date occurs) is payable in arrears on the first Business Day of each calendar month following the Closing Date; the final monthly instalment of the Unused Line Fee is payable on the Commitment Termination Date. Notwithstanding the foregoing, any unpaid Unused Line Fee is immediately due and payable on the Commitment Termination Date.

2. **Facility Fee:** A fully earned non-refundable facility fee of \$2,520,000 which is fully earned as of the date hereof, which is payable as follows:
 - (a) \$210,000 shall be payable on the earlier of: (i) the date that is five (5) Business Days from the Closing Date; and (ii) the date of the initial Advances hereunder;
 - (b) \$105,000 shall be payable on the date that is thirty (30) days from the Closing Date
 - (c) \$105,000 shall be payable on the date that is sixty (60) days from the Closing Date;
 - (c) \$105,000 shall be payable on the date that is ninety (90) days from the Closing Date and
 - (d) \$105,000 shall be payable on the date that is one-hundred and twenty (120) days from the Closing Date;
 - (e) \$630,000 shall be payable on the date that is 364 days after the Closing Date;
 - (f) \$105,000 shall be payable on July 1, 2022;
 - (g) \$105,000 shall be payable on August 1, 2022;
 - (h) \$105,000 shall be payable on September 1, 2022;
 - (i) \$105,000 shall be payable on October 1, 2022;
 - (j) \$105,000 shall be payable on November 1, 2022;
 - (k) \$105,000 shall be payable on December 1, 2022; and
 - (l) \$630,000 shall be payable on the date that is 729 days after the Closing Date.

In addition, should Lender and Borrower agreed to extend the Maturity Date by an additional year, a further facility fee in the amount of \$630,000 is payable on the date that is two years from the Closing Date. Should Borrower prepay and cancel the Loans in full prior to the Maturity Date, or if Lender demands repayment of the Loans as a result of the occurrence of an Event of Default, any remaining portion of the Facility Fee shall be due and payable in full as Obligations hereunder.



3. **Collateral Monitoring Fee:** A fully earned and non-refundable collateral monitoring fee of \$5,000 per month or each part thereof, payable in advance in beginning on the Closing Date and on the first Business Day of each month thereafter.
4. **Prepayment Fee:** An amount equal to: (a) six months' interest on the then current Maximum Amount, if Lender's obligation to make further Advances is terminated (voluntarily by Borrower, upon Default or otherwise) on or after the Closing Date and on or before the first anniversary of the Closing Date, payable on the Commitment Termination Date; and (b) \$0, thereafter. Borrower acknowledges and agrees that: (i) it would be difficult or impractical to calculate Lender's actual damages from early termination of Lender's obligation to make further Advances for any reason pursuant to Section 1.2(c) or Section 7.2; (ii) the Prepayment Fees provided above are intended to be fair and reasonable approximations of such damages; and (iii) the Prepayment Fees are not intended to be penalties.
5. **Field Examination Fees:** Borrower will reimburse Lender for Lender's reasonable charges in respect of audit reviews, Field Examinations and collateral examinations to the extent permitted hereunder, including the standard charges of the Lender's field examiner, and all out-of-pocket expenses incurred in connection therewith and applicable taxes.
6. **Appraisal Fees:** Borrower will reimburse Lender for all reasonable out-of-pocket expenses incurred by Lender in connection with the appraisals of Inventory and Equipment conducted for Lender by an appraisal firm acceptable to Lender.
7. **Miscellaneous Fees:** Borrower shall be liable for all of Lender's reasonable out-of-pocket customary miscellaneous fees for activities undertaken by Lender, including additional uploads, amendments, waivers and other matters.



This is Exhibit "D" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this “**Agreement**”) is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the “**Lender**”).

- and -

THE VERY GOOD FOOD COMPANY INC., a corporation
incorporated under the laws of British Columbia

(herein called the “**Debtor**”).

WHEREAS:

- A. The Debtor, among others, has entered into the Loan Agreement (as defined below), pursuant to which it will become indebted to the Lender;
- B. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

“**Collateral**” has the meaning given to such term in Section 2.02.

“**Loan Agreement**” means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, and the Debtor, as borrower, as the same may be amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“Obligations” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.



1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "Accounts";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "Inventory";

(c) **Equipment**

all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the "Equipment";



(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the "**Intangibles**";

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee's possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the "**Documents of Title**";

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the "**Money**";

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the "**Chattel Paper**";

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered upon claiming payment thereunder, all of which are herein called the "**Instruments**";

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares,



options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the "**Investment Property**";

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the "**Documents**";

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the "**Proceeds**";

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the "**Leaseholds**"; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the "**Undertaking**".

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the "**Collateral**".

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:



- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of



Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.

- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.
- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.



- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the



Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.



After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;
- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;



- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;
- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;



- (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.

5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.



5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and
- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.



5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and



- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.

6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.



6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.



6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

THE VERY GOOD FOOD COMPANY INC.

DocuSigned by:
Per: Kamini Hitkari
E559FD2812A9425
Name: Kamini Hitkari
Title: Chief Financial Officer

Per: _____
Name:
Title:
We have the authority to bind the Corporation



This is Exhibit "E" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of a stylized, cursive 'B' followed by a flourish.

NOTICE OF SECURITY INTEREST IN INTELLECTUAL PROPERTY

WHEREAS The Very Good Food Company Inc., a corporation incorporated in the Province of British Columbia (the "**Debtor**"), whose full address is 2748 Rupert Street, Vancouver, British Columbia V5M 3T7, is the owner of the registered intellectual property set forth in Attachment 1 attached hereto (collectively, the "**Intellectual Property**");

AND WHEREAS Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P., (the "**Lender**"), whose full address is 25 King Street West, Suite 1700, Toronto, Ontario M5L 2A1, entered into, *inter alia*, a General Security Agreement with the Debtor dated as of the date hereof pursuant to which the Debtor granted in favour of the Lender a security interest and lien in all of its property, including the Intellectual Property;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in accordance with the terms and obligations set forth in the General Security Agreement, the Debtor hereby confirms the granting of a security interest and lien in the Intellectual Property to the Lender.

THE DEBTOR hereby certifies that the aforementioned information as it relates to the Debtor is true and accurate.



DATED: June 7, 2021.

THE VERY GOOD FOOD COMPANY INC.

Per: 
Name: Kamini Hitkari
Title: Chief Financial Officer

Per: _____
Name:
Title:
We have the authority to bind the Corporation



Attachment 1

Canadian Trademarks

Canadian Trademarks				
	Owner	Description	Application #	Trademark #
1.	The Very Good Food Company Inc.		2005415	N/A
2.	The Very Good Food Company Inc.		1993204	N/A
3.	The Very Good Food Company Inc.		1993200	N/A

US Trademarks

US Trademarks				
	Owner	Description	Application/Serial #	Registration #
1.	The Very Good Food Company Inc.	The Very Good Butchers/Plant Based Butchery logo (with British Columbia reference and Maple Leaf)	N/A	6,342,668
2.	The Very Good Food Company Inc.	Our old Very Good Food Co. logo	88673876	N/A
3.	The Very Good Food Company Inc.	We Butcher Beans logo	88758241	N/A

44608145.3



This is Exhibit "F" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



BLOCKED ACCOUNTS AGREEMENT

This Blocked Accounts Agreement (this "Agreement") is entered into as of September 12, 2022, by and among The Very Good Food Company Inc. ("Client"), Waygar Capital Inc. ("Secured Party") and Royal Bank of Canada ("RBC").

Capitalized terms not defined herein have the definitions given in Schedule 1.

1. Blocked Accounts Operation

Commencing on the first Business Day after the Activation Date, RBC shall transfer, on each Business Day, all amounts in the deposit accounts in the name of the Client listed in Schedule A as blocked accounts (each a "Blocked Account" and, collectively, the "Blocked Accounts") to the Secured Party's accounts described in Schedule A as collection accounts (each a "Collection Account" and, collectively, the "Collection Accounts"). Transfers from the Blocked Accounts to the Collection Accounts shall be effected in accordance with this Agreement and with RBC's banking practices. Any requested change to the Collection Accounts must be provided by written notice from the Secured Party to RBC and such change shall not become effective until the third Business Day following RBC's receipt of such notice.

2. Instructions

- (a) Prior to the Activation Date, the Blocked Accounts shall be subject to instructions, written or otherwise, given or initiated only by the Client. RBC shall be entitled to act upon the instructions of any person who RBC believes is a person authorized to act on behalf of, or to give instructions for, the Client.
- (b) On and after the Activation Date and until termination of this Agreement, the Blocked Accounts shall be subject to the instructions of the Secured Party given pursuant to the Activation Notice. RBC shall be entitled to act upon the Activation Notice and any notice received from the Secured Party relating to the Collection Accounts as contemplated herein.

3. Subordination of Rights; Rights Reserved by RBC

On and after the Activation Date, RBC agrees that, except as otherwise contemplated or provided for in this Agreement, its rights relating to any funds in or credited to the Blocked Accounts are subordinate to the Secured Party's security interest therein. For greater certainty, "RBC" as used in this section shall mean Royal Bank of Canada solely in its capacity as the financial institution providing cash management services in respect of the Blocked Accounts as provided for herein, and shall not refer to or include Royal Bank of Canada in any other capacity including, without limitation, in the capacity of a lender, secured creditor or provider of any other product or service to, or for the benefit of, the Client from time to time.

4. Permitted Debits

Notwithstanding sections 1 or 3, RBC shall be entitled, whether before or after the Activation Date, to debit from time to time, without prior notice, any one or more of the Blocked Accounts and any other account of the Client held with RBC for Permitted Debits.

If RBC has transferred to a Collection Account the funds on deposit in a Blocked Account in respect of which RBC is entitled to a Permitted Debit and the funds in the Blocked Accounts are insufficient to cover the amount of the Permitted Debit, the Secured Party shall pay to RBC the amount of the Permitted Debit not recoverable from the Blocked Accounts within three (3) Business Days of receipt of a statement from RBC confirming the details of such Permitted Debit.

- 2 -

5. Indemnity

- (a) Subject to subsection 5(b), the Client and the Secured Party hereby jointly and severally agree (or, if this Agreement is governed by the laws of the Province of Québec, the Client and the Secured Party hereby agree, solidarily) to pay, indemnify and hold harmless RBC and each of its directors, officers and employees (collectively, the "Indemnified Parties") from and against any and all losses, liabilities, costs, claims and expenses (collectively, the "Indemnity Amounts") incurred by each of the Indemnified Parties in connection with or with respect to the performance of, or compliance with, this Agreement by any of the Indemnified Parties, except to the extent that the Indemnity Amounts are caused directly by: (i) an Indemnified Party's own gross negligence or wilful misconduct, or (ii) if this Agreement is governed by the laws of the Province of Québec, an Indemnified Party's own intentional or gross fault.
- (b) The indemnity obligations of the Secured Party in subsection 5(a) shall not apply to an indemnity obligation that arose prior to receipt by RBC of an Activation Notice.

6. Court Orders

In the event that RBC is served with a court order which directs RBC to place a hold on any funds in, or to be deposited to, the Blocked Accounts, or which otherwise extends to or deals with such funds or the Blocked Accounts, notwithstanding anything to the contrary contained herein, RBC is hereby authorized to act in accordance with such court order.

7. Service Agreements

Each of the parties hereto acknowledges and agrees that:

- (a) RBC may, in its sole discretion and from time to time, enter into various agreements or arrangements relating to accounts and/or various products and/or services (all such agreements and arrangements (excluding, however, this Agreement) are referred to herein as "Service Agreements"). The Service Agreements may extend to some or all of the Blocked Accounts and any other accounts in the name of the Client held with RBC. The parties hereto acknowledge that various Service Agreements may provide for the provision of centralized banking arrangements and other similar cash management arrangements that involve the netting, setting off or zero-balancing of any amounts in one or more of the Blocked Accounts and any other accounts in the name of the Client held with RBC. In the event of any conflict between this Agreement (or any portion hereof) and the Service Agreements, the terms of this Agreement shall prevail.
- (b) RBC may, in its sole discretion and notwithstanding anything to the contrary contained in any Service Agreement or otherwise, at any time and without notice, terminate any or all of the Service Agreements or any parts thereof. RBC shall have no further obligations arising under or in connection with any Service Agreements (or parts thereof) so terminated and shall not be liable for losses or expenses of any kind in connection with or by reason of any such termination.
- (c) Nothing herein, including termination of any Service Agreement (or part thereof), is intended to or shall result in the Client being released from any of its liabilities or obligations to RBC under or in connection with any of the Service Agreements existing as at the date of any termination thereof, nor any of its liabilities or obligations that are expressly stated to survive termination.

8. Limitation of RBC's Liability

- (a) RBC shall not be liable for any losses, liabilities, costs, damages, claims and expenses (collectively, "Damages") arising out of or in connection with this Agreement other than Damages arising solely and

- 3 -

directly from RBC's (i) own gross negligence or wilful misconduct, or (ii) if this Agreement is governed by the laws of the Province of Québec, its own intentional or gross fault.

- (b) In no event shall RBC be liable for losses or delays resulting from computer malfunctions or interruption of communication facilities which are beyond RBC's reasonable control or from other causes which are beyond RBC's reasonable control or from force majeure or for indirect, special or consequential damages, including but not limited to lost profits.
- (c) With respect to any instructions given to, or requests made of, RBC in connection with this Agreement, in no event shall RBC be liable for any failure to comply with or satisfy the same if compliance with or satisfaction of the same would have resulted in, or involved, RBC contravening any standard or customary banking practice or any of RBC's policies or practices, or any law, regulation, order, rule, or similar thing having the force of law. Each of the Client and the Secured Party acknowledges and agrees that, notwithstanding any instructions or requests, RBC may be unable to reverse, unwind, retract, abandon or cancel any instructions or any actions or processes undertaken in respect of instructions received by RBC, once such instructions have been given to RBC and, in such circumstances, RBC shall have no liability to either of them for any such inability or failure.
- (d) RBC shall have no responsibility to determine the appropriateness of an Activation Notice. The Client and Secured Party agree that RBC may rely upon any communication that it believes to be genuine and to have been given by the proper party. RBC may act upon instructions that have minor irregularities or mistakes.

9. Records and Provision of Information

RBC shall maintain records with respect to the Blocked Accounts in accordance with RBC's standard procedures. Such records shall be considered true, accurate and complete and shall be conclusive and binding on all parties, subject to manifest error. RBC shall provide the Secured Party, at the Client's expense, with such information (including statements) respecting the Blocked Accounts as the Secured Party may from time to time reasonably request in writing. At RBC's option, all or any part of such information may be provided in electronic or any other format. The Client hereby irrevocably consents to the release to the Secured Party by RBC of all such information.

10. Confidentiality

Each of the Client and the Secured Party agrees to keep confidential this Agreement and all information relating to this Agreement and will not disclose or otherwise make any such information, or any draft or copy thereof, available to any person or entity, except to its employees, officers, directors, agents, or legal counsel and other professional advisors who need to know such information and have agreed to keep all such information confidential.

11. Termination

This Agreement shall remain in full force and effect until terminated by the Secured Party or RBC, as provided for herein or otherwise by the written agreement of all parties hereto. The Secured Party may terminate this Agreement by giving RBC prior written notice of its intention to terminate this Agreement, pursuant to the terms of the form appearing at Schedule C (the "Termination Notice"), with such termination becoming effective on the date specified in the Termination Notice, *provided, however*, that in the event that RBC received the Termination Notice less than five (5) Business Days prior to the proposed termination date specified or if the proposed termination date specified is not a Business Day, the parties agree that this Agreement shall be terminated on the *later* of: (i) the proposed termination date specified in the Termination Notice, or (ii) the first Business Day after the proposed termination date on which RBC is reasonably able to terminate this Agreement, all as determined by RBC in its sole and unfettered discretion. RBC may terminate this Agreement at any time upon fifteen (15) days' prior written notice to the Client and the Secured Party. Sections 4 and 5 shall survive termination of this Agreement.

- 4 -

12. Notices

Notices or other communications (each a "Communication") to the party to be notified and delivered by: (i) hand or overnight courier service; (ii) mailed by certified or registered mail; or (iii) sent by electronic transmission to the email addresses or facsimile numbers indicated below (or to such email addresses or facsimile numbers as may be substituted by notice as provided for herein). Communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, if such Communication was received by the recipient before 2 p.m. EST on a Business Day and, otherwise, shall be deemed to have been given on the following Business Day. Communications sent by electronic transmission shall be deemed to have been given one Business Day following the date on which the transmission was sent (except that, if such transmission was sent after 2 p.m. EST on a Business Day, such Communication shall be deemed to have been received two (2) Business Days after the date on which the transmission was sent). The parties acknowledge that, in addition to the above methods of Communication, RBC may, in its sole discretion, contact the Secured Party from time to time by telephone in respect of matters relating to its administration or performance of this Agreement.

a) Communications with the Client shall be addressed as follows:

The Very Good Food Company Inc.
2748 Rupert St.
Vancouver, British Columbia V5M 3T7

Attention: Pratik Patel
Title: CFO
Phone: (778) 990-3043
Email: pratik.patel@verygoodfood.com

b) Communications with RBC shall be addressed as follows:

Royal Bank of Canada
707 Fort St. 2nd Floor
Victoria, British Columbia V8W 3G3

Attention: Renan Yin
Title: Commercial Account Manager
Phone: (250) 507-5855
Email: renan.yin@rbc.com

- and -

Royal Bank of Canada
88 Queens Quay W. 11th Floor
Toronto, Ontario M5J 0B8

Attention: Gurlal Algh
Title: Senior Product Manager
Phone: (416) 974-0516
Email: gurlal.algh@rbc.com

- 5 -

c) Communications with the Secured Party shall be addressed as follows:

Waygar Capital Inc.
25 King Street West, Suite 1700
Toronto, Ontario M5L 2S1

Attention: James Bruce
Title: Vice President, Portfolio
Phone: (416) 572-0025 x105
Email: jbruce@waygarcapital.com

13. Governing Law

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters pertaining to this Agreement.

14. Amendments

This Agreement may only be amended or modified by written instrument signed by the Secured Party, the Client and RBC.

15. Severability

Any provision of this Agreement that is or becomes unenforceable shall be unenforceable to the extent of such unenforceability only, without invalidating the remaining provisions hereof. To the extent permitted by applicable law, each of the parties hereby waives any provision of law that renders any provision hereof unenforceable in any respect.

16. Other Deliverables

If so requested by RBC, each of the parties hereto agrees to provide, or cause to be provided; to RBC such additional information and documentation as may be required by RBC for its regulatory and/or compliance purposes.

17. No Fiduciary Obligations

Nothing in this Agreement shall constitute any party to this Agreement a fiduciary in relation to any other party to this Agreement.

18. Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and permitted assigns. Neither the Secured Party nor the Client shall be entitled to transfer and/or assign (in part or in whole) any of their rights or obligations under this Agreement except with the prior written consent of RBC (which consent shall be in RBC's sole and unfettered discretion).

19. Counterparts

This Agreement may be executed in counterparts and such executed counterparts may be delivered by facsimile, or other electronic means and each such executed counterpart so delivered shall be deemed to be an original, and all such executed counterparts when taken together shall constitute one and the same Agreement.



- 6 -


20. Language

The parties hereto have expressly requested that this contract and all documents relating hereto be drawn up in the English language. Les parties aux présentes ont expressément demandé que ce contrat et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

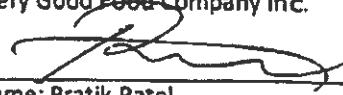
The parties have executed this Agreement as of the date first noted above.

ROYAL BANK OF CANADA

By 
Name: Renan Yin
Title: Commercial Account Manager

Waygar Capital Inc.
By 
Name: James Bruce
Title: Vice President, Portfolio

The Very Good Food Company Inc.

By 
Name: Pratik Patel
Title: CFO

I have the authority to bind the Corporation.



Schedule 1 – Definitions

in this Agreement:

- (a) **Activation Date** means the date that is the third Business Day following RBC's receipt of the Activation Notice.
- (b) **Activation Notice** means a notice from the Secured Party to RBC in the form appearing at Schedule B.
- (c) **Branch of Account** means the branch of RBC located at
1701 Douglas St.
Victoria, British Columbia V8W 0C1
- (d) **Business Day** means any day (other than a Saturday or Sunday) on which the Branch of Account is open for business to the public.
- (e) **Error Amounts** means, collectively, the amount of any required adjustments due to clerical errors or calculation errors related to any Blocked Account or any other account of the Client held with RBC.
- (f) **Fees** mean all fees and expenses established by RBC from time to time for the services provided for hereunder.
- (g) **Items** means all cheques, money orders, instruments, wire transfers, notes, drafts, automated clearing house entries, credit from a merchant card transaction (including credit card and debit card payments) and other orders for payment of money or other remittances payable to the Client.
- (h) **Permitted Debits** means, collectively, (i) Fees; (ii) Returned Amounts; and (ii) Error Amounts.
- (i) **Returned Amounts** means, collectively, all amounts of any Items deposited in a Blocked Account or any other account of the Client with RBC which are subsequently returned to RBC, reversed or unwound, in whole or in part, for any reason whatsoever.

- 2 -

**SCHEDULE A
ACCOUNTS****PART 1 - BLOCKED ACCOUNTS**Transit No. 08080 Account No. 1011451 Currency CAD USD**PART 2 - COLLECTION ACCOUNT**Beneficiary Bank Name TD Canada Trust

Beneficiary Bank Address

55 King St. W. Toronto, Ontario M5K 1A2
--

Collection Accounts CAD USDCAD Beneficiary Account / IBAN Number 5538967Beneficiary Bank Transit & Bank Code (For Canadian Destination Wires) Transit No. 01020 Bank Code 004

**SCHEDULE B
ACTIVATION NOTICE**

To: ROYAL BANK OF CANADA ("RBC")

Re: Blocked Accounts Agreement dated September 12, 2022 among The Very Good Food Company Inc., as Client, Waygar Capital Inc., as Secured Party, and RBC (as such agreement is amended, restated, supplemented or otherwise modified from time to time, the "Blocked Accounts Agreement").

Terms with initial capital letters in this notice and not otherwise defined herein shall have the meanings given to them in the Blocked Accounts Agreement.

The undersigned, being the Secured Party, hereby notifies RBC that, pursuant to the Blocked Accounts Agreement, on the first Business Day following the Activation Date and on each Business Day thereafter until termination of the Blocked Accounts Agreement, RBC is to transfer, prior to the end of each such Business Day, all funds on deposit in the Blocked Accounts as provided for in the Blocked Accounts Agreement.

Dated this 23rd day of SEPTEMBER, 2022

Waygar Capital Inc.

By 

Name: _____

Title: _____



**SCHEDULE C
NOTICE OF TERMINATION**

To: ROYAL BANK OF CANADA ("RBC")
And To: The Very Good Food Company Inc., (the "Client")
Re: Blocked Accounts Agreement dated September 12, 2022 among the Client, RBC and Waygar Capital Inc., (the "Secured Party"), as such agreement has been amended and/or restated up to the date hereof (the "Blocked Accounts Agreement").

In accordance with the Blocked Accounts Agreement, the Secured Party hereby gives notice to each of RBC and the Client of its desire to terminate the Blocked Accounts Agreement effective on the _____ day of _____, 20____, (the "Termination Date").

The Secured Party acknowledges and agrees that:

- (a) the Termination Date must be a Business Day and RBC must have received this Termination Notice at least 5 Business Days prior to the Termination Date. In the event that RBC has received this Termination Notice less than 5 Business Days prior to the Termination Date or the Termination Date is not a Business Day, the Blocked Accounts Agreement shall be terminated on the later of: (i) the Termination Date, or (ii) the first Business Day thereafter on which RBC is reasonably able to terminate the Blocked Accounts Agreement, all as determined by RBC in its sole and unfettered discretion;
- (b) upon termination of the Blocked Accounts Agreement, the Blocked Accounts Agreement shall be of no further force or effect, other than those provisions which are expressly stated in the Blocked Accounts Agreement to survive its termination; and
- (c) all terms appearing in initial capital letters and not otherwise defined herein shall have the meaning ascribed to such terms in the Blocked Accounts Agreement.

Dated this _____ day of _____, 20____.

Waygar Capital Inc.

By _____
 Name:
 Title:

- *Notes:
- (1) The Termination Date must be a Business Day.
 - (2) The Termination Date must be a date which is at least 5 Business Days after the date on which RBC would have received the Termination Notice.

This is Exhibit "G" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
Ninepoint Canadian Senior Debt Master Fund L.P. (the "Lender")
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "**Borrower**") to the Lender, the undersigned (the "**Guarantor**") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1
INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the



Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to "this Agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and



any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;



- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:



- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.



- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.



4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.



4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]

A handwritten signature in blue ink, consisting of a large, stylized 'S' shape with a horizontal line extending to the right and a vertical line extending downwards from the end of the horizontal line.

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

1218158 B.C. LTD.

By: DocuSigned by:
Mitchell Scott

0000F0450046450
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.



GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
Ninepoint Canadian Senior Debt Master Fund L.P. (the "Lender")
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "**Borrower**") to the Lender, the undersigned (the "**Guarantor**") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the



Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to "this Agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and



any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;



- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:



- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.



- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.



4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.



4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]



IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

1218169 B.C. LTD.

By: DocuSigned by:
Mitchell Scott

Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.

 *Guarantee - 169*

GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
Ninepoint Canadian Senior Debt Master Fund L.P. (the "Lender")
25 King Street West, Suite 1700
Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A.** As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "**Borrower**") to the Lender, the undersigned (the "**Guarantor**") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B.** It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1
INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the



Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to "this Agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and



any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;



- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:



- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.



- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.



4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramourncy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.



4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'S' with a horizontal line extending to the left.

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

THE CULTURED NUT INC.

By: DocuSigned by:
Mitchell Scott
B830F6458B48450
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:
I have the authority to bind the Corporation.



Guarantee - CNI

GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
 Ninepoint Canadian Senior Debt Master Fund L.P. (the "Lender")
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
 Email: wehgoetz@waygarcapital.com/
aehgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A. As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "**Borrower**") to the Lender, the undersigned (the "**Guarantor**") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B. It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to “this Agreement”, “the agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and



any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;



- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:



- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.



- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.



4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramountcy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.



4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]

A handwritten mark in blue ink, resembling a stylized signature or a large, loopy letter 'B' with a tail that loops back to the top left.

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

THE VERY GOOD BUTCHERS INC.

By: DocuSigned by:
Mitchell Scott

Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.



GUARANTEE AGREEMENT

TO: Waygar Capital Inc., as agent for
 Ninepoint Canadian Senior Debt Master Fund L.P. (the "Lender")
 25 King Street West, Suite 1700
 Toronto, Ontario M5L 2A1

Attention: **Wayne Ehgoetz and Aaron Ehgoetz**
 Email: [wehgoetz@waygarcapital.com/](mailto:wehgoetz@waygarcapital.com)
aehgoetz@waygarcapital.com

DATED: June 7, 2021

WHEREAS:

- A. As security for the payment of the full amount of the indebtedness, liabilities and obligations of The Very Good Food Company Inc. (the "Borrower") to the Lender, the undersigned (the "Guarantor") has agreed to guarantee payment of the Borrower's present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth; and
- B. It is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 INTERPRETATION

1.01 Defined Terms. All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith:

"**Credit Documents**" means this Agreement, the Loan Agreement and any other agreement, invoice or document between either Borrower and the Lender delivered in connection with any loan, advance, or other financial accommodation made to the Borrower by the Lender.

"**Loan Agreement**" means the loan agreement dated as of the date hereof among, *inter alios*, the Lender, the Borrower and the Guarantor, as the same may be amended, restated modified, supplemented or replaced from time to time.

"**Obligations**" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the

Lender or remaining unpaid by the Borrower to the Lender, including, without limitation, under or in connection with the Loan Agreement.

1.02 Other Usages. References to "this Agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency. Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts in the City of Toronto of the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Time of the Essence. Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 GUARANTEE

2.01 Guarantee. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee. The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee. The guarantee under this Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full and



any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor renounces all benefits of discussion and division. The liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;
- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;



- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

2.04 Enforcement. Upon the occurrence of, and during the continuance of an Event of Default, the Guarantor shall forthwith on demand pay to the Lender the total amount of such Obligations and all sums received by the Lender on account of such Obligations shall be applied by the Lender against such Obligations as the Lender may see fit. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.05 Guarantee in Addition to Other Security. The guarantee under this Agreement shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.06 Reinstatement. The guarantee under this Agreement and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.07 Waiver of Notice, etc. To the extent permitted by Applicable Law, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.08 Subrogation Rights. Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations 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 Agreement. Except as required to preserve its rights, the Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if:



- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower, and subordinates any security it may have in relation thereto, to the claims and security of the Lender against the Borrower, hereby assigns to the Lender any and all claims and security it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.09 Advances After Certain Events. All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. The Guarantor will indemnify the Lender for any such advance, renewal or credit that is not repaid to the Lender.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties. To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Power.** The Guarantor has full power and authority to enter into this Agreement and any other related documents to which he is a party and to do all acts and execute and deliver all other documents as are required hereunder or thereunder to be done, observed or performed by him in accordance with their terms.



- (b) **Enforcement of Documents.** The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.
- (c) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or an application for a bankruptcy order, or commenced any other process to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) file an application, answer or proposal, or a notice of intention to file an application, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other Applicable Law; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties. All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 GENERAL CONTRACT PROVISIONS

4.01 Notices. All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be delivered in accordance with the provisions of the Loan Agreement.

4.02 Further Assurances. The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.



4.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.04 Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's successors and assigns.

4.05 Amendments and Waivers. No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.06 Entire Agreement. This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.07 No Waiver; Remedies; No Duty. In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.08 Limitation Period. The limitation period on this Agreement shall not begin to run until demand is made hereunder.

4.09 Paramouncy. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

4.10 Delivery and Electronic Signature. To evidence the fact that it has executed this Agreement, the Guarantor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Guarantor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.



4.11 Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

[Signature Page Follows]

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'G' followed by a horizontal line that ends in a small hook.

IN WITNESS WHEREOF the Guarantor has executed this Agreement as of the date first written above.

LLOYD-JAMES MARKETING GROUP

By: ^{DocuSigned by:}
Mitchell Scott
0820F6468D48468
Name: Mitchell Scott
Title: President, Chief Executive Officer
and Corporate Secretary

By: _____
Name:
Title:

I have the authority to bind the Corporation.



Guarantee - Marketing

Exhibit "G6"

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "*Guaranty*") is made as of this 7th day of June 2021, by VGFC Holdings LLC, a Delaware limited liability company (together with any other parties who execute and deliver to the Lender referred to herein an agreement attached hereto as Exhibit A, being hereinafter referred to collectively as the "*Guarantors*" and each a "*Guarantor*"), in favor Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "*Lender*").

PRELIMINARY STATEMENTS

A. The Very Good Food Company Inc., a corporation amalgamated under the laws of Canada (the "*Borrower*"), and the Lender have entered into a Loan Agreement dated as of June 7, 2021 (as may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time, the "*Credit Agreement*"), pursuant to which the Lender has agreed to extend certain credit facilities in favor of the Borrower subject to the terms and conditions set forth in the Credit Agreement. Unless otherwise specified herein, each capitalized term not otherwise defined herein (including in the recitals above) shall have the meaning ascribed thereto in the Credit Agreement.

B. The Borrower has obtained and may from time to time hereafter obtain credit and other financial accommodations from the Lender and have incurred and may from time to time hereafter incur liabilities to the Lender.

C. The Borrower provides each Guarantor with substantial financial, management, administrative, technical and design support, which enables each Guarantor to conduct its businesses in an orderly and efficient manner in the ordinary course.

D. As a condition to extending Credit to the Borrower aforesaid, the Lender has required, among other things, that the Guarantor execute and deliver this Guaranty.

E. Each Guarantor will directly and substantially benefit from credit and other financial accommodations extended and to be extended by the Lender to the Borrower.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Lender from time to time, each Guarantor hereby agrees as follows:

1. Each Guarantor hereby jointly and severally guarantees the full and prompt payment to the Lender at maturity and at all times thereafter of the Obligations, however evidenced, whether now existing or hereafter created or arising (and whether arising before or after the filing of a petition in bankruptcy and including all interest, costs, fees and charges after the entry of an order for relief in a case under Title 11 of the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed



claim in such proceeding), whether direct or indirect, absolute or contingent, or joint or several, and howsoever owned, held or acquired, whether through discount, overdraft, purchase, direct loan or as collateral, or otherwise (hereinafter all such indebtedness, obligations and liabilities being collectively referred to as the "*Indebtedness*"). This is a guaranty of payment and not of collection, and in case the Borrower or other obligors fail to pay any Indebtedness when due, each Guarantor hereby jointly and severally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration or otherwise, and as if such payment were made by the Borrower or other obligor. Notwithstanding anything in this Guaranty to the contrary, the right of recovery against a Guarantor under this Guaranty shall not exceed \$1.00 less than the lowest amount which would render such Guarantor's obligations under this Guaranty void or voidable under applicable law, including fraudulent conveyance law.

2. Each Guarantor further jointly and severally agrees to pay all reasonable out-of-pocket costs and expenses, legal and/or otherwise (including court costs and reasonable attorneys' fees), suffered or incurred by the Lender in enforcing or endeavoring to enforce this Guaranty, in enforcing or endeavoring to collect the Indebtedness, or any part thereof, and in protecting, defending or enforcing this Guaranty in any litigation, bankruptcy or insolvency proceedings or otherwise.

3. Subject to the terms in this Guaranty, each Guarantor agrees that, upon demand, such Guarantor will then pay to the Lender the full amount of the Indebtedness then due (subject to the limitation on the right of recovery thereon with respect to such Guarantor as set forth in the Section 1 above), whether or not any one or more of the other Guarantors shall then or thereafter pay any amount whatsoever in respect of their obligations hereunder.

4. Each Guarantor agrees that such Guarantor will not exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to such Guarantor against any person liable for payment of the Indebtedness, or as to any security therefor, unless and until the full amount of the Indebtedness has been paid and all commitments, if any, of the Lender to extend credit to or for the account of the Borrower which, when made, would constitute Indebtedness shall have terminated (the date of such payment of Indebtedness and termination of commitments, the "*Termination Date*"). The payment by any Guarantor of any amount or amounts to the Lender pursuant hereto shall not in any way entitle any such Guarantor, either at law, in equity or otherwise, to any right, title or interest (whether by way of subrogation or otherwise) in and to the Indebtedness or any part thereof or any collateral security therefor or any other rights or remedies in any way relating thereto or in and to any amounts theretofore, then or thereafter paid or applicable to the payment thereof howsoever such payment may be made and from whatsoever source such payment may be derived unless and until all of the Indebtedness and all reasonable out-of-pocket costs and expenses suffered or incurred by the Lender in enforcing this Guaranty have been paid in full and all commitments, if any, of the Lender to extend credit to or for the account of the Borrower which, when made, would constitute Indebtedness shall have terminated and unless and until such payment in full and termination, any payments made by any Guarantor hereunder and any other payments from whatsoever source derived on account of or applicable to the Indebtedness or any part thereof



shall be held and taken to be merely payments in gross to the Lender reducing pro tanto the Indebtedness.

5. To the extent permitted by the Credit Agreement, the Lender may, without any notice whatsoever to anyone, sell, assign, or transfer all of the Indebtedness, or any part thereof, or grant participations therein, and in that event each and every immediate and successive assignee, transferee, or holder of or participant in all or any part of the Indebtedness, shall have the right to enforce this Guaranty as to so much of the Indebtedness that has been sold, assigned or transferred to such successive assignee, transferee, holder or participant, by suit or otherwise, for the benefit of such assignee, transferee, holder or participant, as fully as if such assignee, transferee, holder or participant were herein by name specifically given such rights, powers and benefits; but the Lender shall have an unimpaired right to enforce this Guaranty for the benefit of the Lender or any such participant, as to so much of the Indebtedness that it has not sold, assigned or transferred.

6. This Guaranty is a continuing, absolute and unconditional Guaranty, and shall remain in full force and effect until the Termination Date. The dissolution of any Guarantor shall not terminate this Guaranty as to such Guarantor until notice of such dissolution shall have been actually received by the Lender, nor until all of the Indebtedness, created or existing or committed to be extended in each case before receipt of such notice shall be fully paid. The Lender may at any time or from time to time release a Guarantor from its obligations hereunder or effect any compromise with such Guarantor; and no such release or compromise shall in any manner impair or otherwise affect the obligations hereunder of the other Guarantors. No release, compromise or discharge of any one or more of the Guarantors shall release, compromise or discharge the obligations of the other Guarantors hereunder.

7. In case of the dissolution, liquidation or insolvency (howsoever evidenced) of, or the institution of bankruptcy or receivership proceedings against the Borrower or any Guarantor, all of the Indebtedness which is then existing shall, at the option of the Lender, immediately become due or accrued and payable from the Guarantors. All payments received by the Lender from the Borrower or any Guarantor or on account of the Indebtedness from whatsoever source, shall be taken and applied as payment in gross, and this Guaranty shall apply to and secure any ultimate balance that shall remain owing to the Lender.

8. The liability hereunder shall in no way be affected or impaired by (and the Lender is hereby expressly authorized to make from time to time, without notice to anyone), any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of the Indebtedness, either express or implied, or of any contract or contracts evidencing any thereof, or of any security or collateral therefor or any guaranty thereof. The liability hereunder shall in no way be affected or impaired by any acceptance by the Lender of any security for or other guarantors upon any of the Indebtedness, or by any failure, neglect or omission on the part of the Lender to realize upon or protect any of the Indebtedness, or any collateral or security therefor, or to exercise any lien upon or right of appropriation of any moneys, credits or property of the Borrower or any Guarantor possessed by the Lender toward the liquidation of the Indebtedness, or by any application of payments or credits thereon. The Lender shall have the exclusive right

to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness, or any part of same. In order to hold the Guarantor liable hereunder, there shall be no obligation on the part of the Lender at any time to resort for payment to the Borrower or to any other Guarantor, or to any other person or corporations, their properties or estate, or resort to any collateral, security, property, liens or other rights or remedies whatsoever, and the Lender shall have the right to enforce this Guaranty against any Guarantor irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing are pending.

9. In the event the Lender shall at any time in its discretion permit a substitution of any Guarantor hereunder or a party shall wish to become a Guarantor hereunder, such substituted or additional Guarantor shall, upon executing an agreement in the form attached hereto as *Exhibit A*, become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Guarantor had originally executed this Guaranty and, in the case of a substitution, in lieu of the Guarantor being replaced. No such substitution shall be effective absent the written consent of the Lender.

10. All diligence in collection or protection, and all presentment, demand, protest and/or notice, as to any and everyone, whether or not the Borrower or the Guarantors or others, of dishonor and of default and of non-payment and of the creation and existence of any and all of the Indebtedness, and of any security and collateral therefor, and of the acceptance of this Guaranty, and of any and all extensions of credit and indulgence hereunder, are expressly waived to the extent permitted by applicable law.

11. No act of commission or omission of any kind, or at any time, upon the part of the Lender in respect to any matter whatsoever, shall in any way affect or impair this Guaranty.

12. Each Guarantor waives any and all defenses, claims and discharges of the Borrower, or any other obligor, pertaining to the Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Guarantors will not assert, plead or enforce against the Lender any defense of waiver, release, discharge in bankruptcy, statute of limitations, *res judicata*, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to the Borrower or any other person liable in respect of any of the Indebtedness, or any set-off available against the Lender to the Borrower or any such other person, whether or not on account of a related transaction. The Guarantors agree that the Guarantors shall be and remain jointly and severally liable for any deficiency remaining after foreclosure or other realization on any lien or security interest securing the Indebtedness, whether or not the liability of the Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision.

13. If any payment applied by the Lender to the Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such of the Indebtedness as fully as if such application had never been made.

14. Any invalidity or unenforceability of any provision or application of this Guaranty shall not affect other lawful provisions and applications hereof, and to this end the provisions of this Guaranty are declared to be severable. Without limiting the generality of the foregoing, any invalidity or unenforceability against any Guarantor of any provision or application of the Guaranty shall not affect the validity or enforceability of the provisions or application of this Guaranty as against the other Guarantors.

15. Any demand for payment on this Guaranty or any other notice, request or communication otherwise required shall be in writing and be well and sufficiently given if delivered in accordance with the Credit Agreement.

16. All payments to be made by the Guarantors hereunder shall be made in the same currency and funds in which the underlying Indebtedness is payable to the Lender in immediately available and freely transferable funds at the place of payment, all such payments to be paid without set-off, counterclaim or reduction and without deduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholding or liabilities with respect thereto or any restrictions or conditions of any nature. If any Guarantor is required by law to make any deduction or withholding on account of any tax or other withholding or deduction from any sum payable by the Guarantor hereunder, such Guarantor shall pay any such tax or other withholding or deduction and shall pay such additional amount necessary to ensure that, after making any payment, deduction or withholding, the Lender shall receive and retain (free of any liability in respect of any payment, deduction or withholding) a net sum equal to what it would have received and so retained hereunder had no such deduction, withholding or payment been required to have been made.

17. The payment by the Guarantor of any amount or amounts due the Lender hereunder shall be made in the same currency (the "*relevant currency*") and funds in which the underlying Indebtedness is payable. To the fullest extent permitted by law, the obligation of the Guarantors in respect of any amount due in the relevant currency under this Guaranty shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the Lender may, in accordance with its normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the business day immediately following the day on which the Lender receives such payment. If the amount in the relevant currency that may be so purchased for any reason falls short of the amount originally due, the Guarantors shall pay such additional amounts, in the relevant currency, as may be necessary to compensate for the shortfall. Any obligations of the Guarantors not discharged by such payment shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

18. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), in which state it shall be performed by the Guarantor and may not be waived, amended, released or otherwise changed except by a writing signed by the Lender; *provided* that any amendment or modification to the terms of this Guaranty shall also be signed



by the Guarantors. This Guaranty and every part thereof shall be effective upon delivery to the Lender, without further act, condition or acceptance by the Lender, shall be binding upon the Guarantors and upon the heirs, legal representatives, successors and assigns of the Guarantors, and shall inure to the benefit of the Lender, its successors, legal representatives and assigns. The Guarantors waive notice of the Lender's acceptance hereof. This Guaranty may be executed in counterparts and by different parties hereto on separate counterpart signature pages, each of which shall be an original, but all together to be one and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Guaranty or any document to be signed in connection with this Guaranty shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means. Delivery of an executed counterpart of a signature page of this Guaranty by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Guaranty.

19. Each Guarantor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York County, for purposes of all legal proceedings arising out of or relating to this Guaranty or the transactions contemplated hereby. Each Guarantor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such court has been brought in an inconvenient forum. EACH GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURE PAGE TO FOLLOW]



IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

VGFC HOLDINGS LLC

DocuSigned by:
Mitchell Scott
By: _____
Name: Mitchell Scott
Title: Manager

[Signature Page to Guaranty Agreement (VGFC Holdings LLC)]



Accepted and agreed to as of the date first above written.

WAYGAR CAPITAL INC., as agent

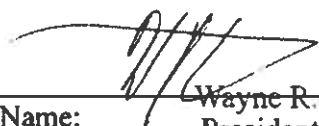
By: 
Name: Wayne R. Ehgoetz
Title: President & CEO



EXHIBIT A TO GUARANTY AGREEMENT

ASSUMPTION AND SUPPLEMENT TO GUARANTY AGREEMENT

This Assumption and Supplement to Guaranty Agreement (the "*Agreement*") is dated as of this ____ day of _____, 20__, made by [new guarantor], a(n) _____ corporation/limited liability company/partnership (the "*New Guarantor*") in favor of Bank of Montreal (the "*Lender*");

WITNESSETH THAT:

WHEREAS, VGFC Holdings LLC, a Delaware limited liability company (the "*Existing Guarantor*"), has executed and delivered to the Lender that certain Guaranty Agreement dated as of June 7, 2021 (such Guaranty Agreement, as the same may from time to time be modified or amended, including supplements thereto which add or substitute parties as Guarantors thereunder, being hereinafter referred to as the "*Guaranty*") pursuant to which the Existing Guarantor guaranteed to the Lender the full and prompt payment of, among other things, any and all indebtedness, obligations and liabilities of The Very Good Food Company Inc., a corporation amalgamated under the laws of Canada (the "*Borrower*"), from time to time owing to the Lender; and

WHEREAS, the Borrower provides the New Guarantor with substantial financial, managerial, administrative, technical and design support and the New Guarantor will directly and substantially benefit from credit and other financial accommodations extended and to be extended by the Lender to the Borrower;

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Lender from time to time, the New Guarantor hereby agrees as follows:

1. The New Guarantor acknowledges and agrees that it shall become a "Guarantor" party to the Guaranty effective upon the date the New Guarantor's execution of this Agreement and the delivery of this Agreement to the Lender, and that upon such execution and delivery, all references in the Guaranty to the term "Guarantor" shall be deemed to include the New Guarantor.

2. The New Guarantor hereby assumes and becomes liable (jointly and severally with all the other Guarantors) for the Indebtedness (as defined in the Guaranty) and agrees to pay and otherwise perform all of the obligations of a Guarantor under the Guaranty according to, and otherwise on and subject to, the terms and conditions of the Guaranty to the same extent and with the same force and effect as if the New Guarantor had originally been an Existing Guarantor under the Guaranty and had originally executed the same as such an Existing Guarantor.

3. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Guaranty, except that any reference to the term "Guarantor" and any provision of the Guaranty providing meaning to such term shall be deemed

a reference to the Existing Guarantor and the New Guarantor. Except as specifically modified hereby, all of the terms and conditions of the Guaranty shall stand and remain unchanged and in full force and effect.

4. The New Guarantor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Lender may deem necessary or proper to carry out more effectively the purposes of this Agreement.

5. No reference to this Agreement need be made in the Guaranty or in any other document or instrument making reference to the Guaranty, any reference to the Guaranty in any of such to be deemed a reference to the Guaranty as modified hereby.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York), in which state it shall be performed by the New Guarantor.

[NEW GUARANTOR]

By _____

Name _____

Title _____

Address:

Telephone: (____) _____

Facsimile: (____) _____

Acknowledged and agreed, as of the date first above written.

WAYGAR CAPITAL INC., as agent

By _____

Name _____

Title _____

This is Exhibit "H" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "Agreement") is made as of June 7, 2021.

B E T W E E N :

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "Lender").

- and -

1218158 B.C. LTD., a corporation incorporated under the laws of
British Columbia

(herein called the "Debtor").

WHEREAS:

- A. The Very Good Food Company Inc. (the "Borrower") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"Collateral" has the meaning given to such term in Section 2.02.

"Loan Agreement" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.



1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "Accounts";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "Inventory";

(c) **Equipment**



all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered



upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located



on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities



intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.



- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.



3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due



to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;



- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.



5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the



moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;



- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.



6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.



6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

1218158 B.C. LTD.

Per: DocuSigned by:
Mitchell Scott
8930F6468B48460

Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation



GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "Agreement") is made as of June 7, 2021.

BETWEEN:

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "Lender").

- and -

1218169 B.C. LTD., a corporation incorporated under the laws of
British Columbia

(herein called the "Debtor"),

WHEREAS:

- A. The Very Good Food Company Inc. (the "Borrower") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"Collateral" has the meaning given to such term in Section 2.02.

"Loan Agreement" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.



1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "Accounts";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "Inventory";

(c) **Equipment**



all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered



upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located



on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities



intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.



- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.



3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due



to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "Receiver") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;



- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.



5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the



moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;



- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.



6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.



6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramourncy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

1218169 B.C. LTD.

Per: DocuSigned by:
Mitchell Scott
B830E6458B48450

Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation



GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "**Agreement**") is made as of June 7, 2021.

BETWEEN:

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "**Lender**"),

- and -

THE CULTURED NUT INC., a corporation incorporated under
the laws of British Columbia

(herein called the "**Debtor**"),

WHEREAS:

- A. The Very Good Food Company Inc. (the "**Borrower**") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"**Collateral**" has the meaning given to such term in Section 2.02.

"**Loan Agreement**" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.



1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "Accounts";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "Inventory";

(c) **Equipment**



all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”;

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered



upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located



on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities



intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.



- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.



3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

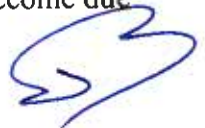
Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due



to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "Receiver") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;



- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.



5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the



moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;



- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.



6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.



6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

THE CULTURED NUT INC.

Per: DocuSigned by:
Mitchell Scott
B830F6458B48450
Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation



Exhibit "H4"

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "**Agreement**") is made as of June 7, 2021.

BETWEEN:

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "**Lender**").

- and -

THE VERY GOOD BUTCHERS INC., a corporation
incorporated under the laws of British Columbia

(herein called the "**Debtor**").

WHEREAS:

- A. The Very Good Food Company Inc. (the "**Borrower**") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"**Collateral**" has the meaning given to such term in Section 2.02.

"**Loan Agreement**" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be

amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.



1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "Accounts";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "Inventory";

(c) **Equipment**



all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the “**Equipment**”:

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the “**Intangibles**”;

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee’s possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the “**Documents of Title**”;

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the “**Money**”;

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the “**Chattel Paper**”;

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act (Canada)*) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered

upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located



on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities



intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.



- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.



3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due



to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "Receiver") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;



- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.



5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the



moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;



- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.



6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.



6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

THE VERY GOOD BUTCHERS INC.

DocuSigned by:
Mitchell Scott
Per: 8830F6469848450

Name: Mitchell Scott
Title: President, Chief Executive Officer and
Corporate Secretary

Per: _____
Name:
Title:
We have the authority to bind the Corporation



GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, restated, supplemented, replaced or otherwise altered, from time to time, this "Agreement") is made as of June 7, 2021.

BETWEEN:

**WAYGAR CAPITAL INC., as agent for NINEPOINT
CANADIAN SENIOR DEBT MASTER FUND L.P.**

(herein called the "Lender").

- and -

**LLOYD-JAMES MARKETING GROUP INC., a corporation
incorporated under the laws of British Columbia**

(herein called the "Debtor"),

WHEREAS:

- A. The Very Good Food Company Inc. (the "**Borrower**") and the Debtor, among others, have entered into the Loan Agreement (as defined below), pursuant to which the Borrower will become indebted to the Lender;
- B. The Debtor has guaranteed the obligations of the Borrower to the Lender pursuant to a guarantee dated as of the date hereof; and
- C. To secure the payment and performance of the Obligations (as defined below), the Debtor has agreed to execute and deliver this Agreement to the Lender, and to grant to the Lender, security interests in respect of the Collateral in accordance with the terms of this Agreement.

THIS AGREEMENT WITNESSES that, in consideration of the promises contained herein and other good and valuable consideration, the Debtor agrees with the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

All capitalized terms which are used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan Agreement. In this Agreement, unless there is something in the context or subject matter inconsistent therewith,

"**Collateral**" has the meaning given to such term in Section 2.02.

"**Loan Agreement**" means the loan agreement made as of the date hereof between, *inter alios*, the Lender, as lender, the Borrower and the Debtor, as borrower, as the same may be



amended, restated, modified or replaced from time to time, and pursuant to which the Lender established certain credit facilities in favour of the Debtor.

“**Obligations**” means all indebtedness, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender including, without limitation, under or in connection with the Loan Agreement or any other Credit Document to which the Debtor is a party.

1.02 Other Usages

References to “this Agreement”, “hereof”, “herein”, “hereto” and like references refer to this General Security Agreement and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

1.04 Headings

The insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Currency

Unless otherwise specified herein, all statements of or references to dollar amounts in this Agreement shall mean lawful money of Canada.

1.06 Applicable Law and Attornment Clause

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the courts of the City of Toronto in the Province of Ontario and agree that those courts shall have non-exclusive jurisdiction to determine all disputes relating to this Agreement.

1.07 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.



1.08 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

1.09 Terms Defined by the PPSA

Unless there is something in the context or subject-matter inconsistent therewith, words and phrases not otherwise herein defined that are defined in the PPSA shall have the meanings ascribed thereto respectively by the PPSA.

ARTICLE 2 - SECURITY INTEREST

2.01 Grant of Security Interest

As general, continuing and collateral security for the payment and performance of all Obligations, the Debtor hereby: (i) mortgages, charges, assigns, transfers and pledges the Collateral to the Lender as a fixed and specific mortgage and charge, and grants the Lender a security interest in the Collateral.

2.02 Description of Collateral

The following undertaking, property and assets of the Debtor shall be subject to the security interest in favour of the Lender created by this Agreement:

(a) **Accounts**

all debts, amounts, claims and moneys which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, whether or not earned by performance including, without limitation, all intercompany loans and advances made by the Debtor to its affiliates; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of the said debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to the said debts, amounts, claims and moneys or any part thereof, all of which are herein called the "Accounts";

(b) **Inventory**

all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging, all of which are herein called the "Inventory";

(c) **Equipment**



all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not Inventory, all of which are herein called the "**Equipment**":

(d) **Intangibles**

all intangible property now owned or hereafter acquired by the Debtor and which is not Accounts including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing, all of which are herein called the "**Intangibles**";

(e) **Documents of Title**

any writing now or hereafter owned by the Debtor that purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee's possession as are identified or fungible portions of an identified mass, whether such goods and chattels are Inventory or Equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of the said writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts, all of which are herein called the "**Documents of Title**";

(f) **Money**

all money now or hereafter owned by the Debtor, whether such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are herein called the "**Money**";

(g) **Chattel Paper**

all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods, all of which are herein called the "**Chattel Paper**";

(h) **Instruments**

all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act (Canada)*) of the Debtor, and all other writings of the Debtor that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment and all letters of credit and advices of credit of the Debtor provided that such letters of credit and advices of credit state that they must be surrendered



upon claiming payment thereunder, all of which are herein called the “**Instruments**”;

(i) **Investment Property**

all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and, subject to Section 2.06, dividends and income derived therefrom, all of which are herein called the “**Investment Property**”;

(j) **Documents**

all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral, all of which are herein called the “**Documents**”;

(k) **Proceeds**

all property in any form derived directly or indirectly from any dealing with the Collateral or the proceeds therefrom, including, without limitation, property that indemnifies or compensates for the expropriation, destruction or damage of the Collateral or the proceeds therefrom, all of which are herein called the “**Proceeds**”;

(l) **Leaseholds**

subject to Section 2.05, all leases, now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor, all of which are herein called the “**Leaseholds**”; and

(m) **Undertaking**

all present and future personal property, business, and undertaking of the Debtor not being Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds or Leaseholds, all of which are herein called the “**Undertaking**”.

The Accounts, Inventory, Equipment, Intangibles, Documents of Title, Money, Chattel Paper, Instruments, Investment Property, Documents, Proceeds, Leaseholds and Undertaking are herein collectively called the “**Collateral**”.

2.03 Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2.02, for greater certainty the Collateral shall include all present and future personal property of the Debtor located



on or about or in transit to or from the location(s) set out in the Disclosure Schedule to the Loan Agreement.

2.04 Attachment of Security Interest

The parties hereby acknowledge that:

- (a) value has been given;
- (b) the Debtor has rights in the Collateral; and
- (c) the parties have not agreed to postpone the time for attachment of the security interest created by this Agreement.

2.05 Exception re: Leaseholds and Contractual Rights

The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created by this Agreement, but the Debtor agrees to stand possessed of such last day in trust for such person as the Lender may direct and the Debtor shall assign and dispose thereof in accordance with such direction. To the extent that the security interest created by this Agreement in any contractual rights would constitute a breach or cause the acceleration of such contract, said security interest shall not be granted hereunder but the Debtor shall hold its interest therein in trust for the Lender, shall use commercially reasonable efforts to obtain the appropriate consents to the attachment of said security interest and shall grant a security interest in such contractual rights to the Lender forthwith upon obtaining the appropriate consents to the attachment of said security interest.

2.06 Collateral Consisting of Investment Property

If any of the Collateral consists of Investment Property and after the Obligations have been declared immediately due and payable pursuant to Section 7 of the Loan Agreement, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities



intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

2.07 Income from and Interest on Collateral Consisting of Investment Property

- (a) Until the security hereby constituted becomes enforceable, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Investment Property, and if the Lender receives any such income or interest prior to the security hereby constituted becoming enforceable, the Lender shall pay such income or interest promptly to the Debtor.
- (b) After the security hereby constituted becomes enforceable, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Lender in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Lender may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Lender shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

ARTICLE 3 - WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 Warranties and Covenants

The Debtor hereby warrants, covenants and agrees with the Lender as follows:

- (a) The Debtor will keep its chief executive office where it keeps its records concerning the Accounts located at the address set out in the Loan Agreement for notices, or, upon 20 Business Days prior notice to the Lender, at such other location in a jurisdiction where all actions required by Section 6.03 shall have been taken.
- (b) The Collateral is now and will be located at or in transit to the address(es) set out in the Disclosure Schedule to the Loan Agreement. In the event the Collateral becomes located at any address not set out in the Disclosure Schedule to the Loan Agreement, the Debtor shall promptly notify the Lender in writing of the details thereof.
- (c) The Debtor shall keep the Collateral in good condition and repair.
- (d) The Debtor agrees to promptly notify the Lender in writing of the acquisition by the Debtor of any personal property which is not of the nature or type described by the definition of Collateral, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Lender in order that a security interest shall attach to such personal property.



- (e) The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all Applicable Laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the security interest created by this Agreement and the business and undertaking of the Debtor.
- (f) The Debtor shall prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property.
- (g) The Debtor shall deliver to the Lender from time to time as requested by the Lender all items of Collateral comprising Investment Property (to the extent certificated). Such delivery shall be effected by depositing with the Lender all certificates representing such Investment Property (to the extent certificated). All certificates so deposited shall, unless all necessary consents and approvals are obtained, not contain any reference to restrictions on the transfer of the shares represented thereby and shall be duly endorsed in blank for transfer or shall be attached to duly executed powers of attorney or forms of transfer.
- (h) The Debtor shall deliver to the Lender upon the request of the Lender from time to time all items of Collateral comprising Documents of Title, Chattel Paper, Instruments and Documents.
- (i) The Debtor shall pay all reasonable out-of-pocket costs and expenses of the Lender, its agents, officers and employees (including, without limitation, reasonable legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
 - (i) the preparation, perfection, execution and filing of this Agreement and the filing of financing statement(s) and financing change statement(s) with respect to this Agreement;
 - (ii) dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the security interest created by this Agreement;
 - (iii) the exercising of any or all of the rights, remedies and powers of the Lender under this Agreement; and
 - (iv) recovering or repossessing the Collateral and any other proceedings taken for the purpose of enforcing the remedies provided herein, including, without limitation, the appointment of a receiver, manager or receiver and manager, whether by order of the court or by private appointment.
- (j) The Debtor shall indemnify the Lender for all reasonable costs and expenses as set out in Sections 3.01(i) and 3.02 and agrees that if such costs and expenses are not paid when due, all such costs and expenses shall be payable by the Debtor to the Lender on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

3.02 Performance of Covenants by the Lender

The Lender may, in its sole discretion and upon notice to the Debtor, perform any covenant of the Debtor under this Agreement that the Debtor fails to perform and that the Lender is capable of performing, including any covenant the performance of which requires the payment of money, provided that the Lender will not be obligated to perform any such covenant on behalf of the Debtor and no such performance by the Lender will require the Lender further to perform the Debtor's covenants nor operate as a derogation of the rights and remedies of the Lender under this Agreement.

ARTICLE 4 - RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

4.01 General Restrictions

Except as herein provided or except as provided in the Loan Agreement, the Debtor shall not, without the prior written consent of the Lender:

- (a) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (b) release, surrender or abandon possession of the Collateral or any part thereof; or
- (c) move or transfer the Collateral or any part thereof from its present location except to and from the locations listed of the Disclosure Schedule to the Loan Agreement and with the prior written consent of the Lender, any other location.

4.02 Permitted Sales

The Debtor may, at any time, without the consent of the Lender:

- (a) lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business so that the purchaser thereof takes title clear of the security interest created by this Agreement but if such sale, lease or other dealing with results in an Account, such Account shall be subject to the security interest created by this Agreement;
- (b) sell or otherwise dispose of such part of its Equipment which is not necessary to or useful in connection with its business and undertaking, or which has become worn out or damaged or otherwise unsuitable for its purpose; provided that such Equipment is replaced or has nominal value; and
- (c) continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Accounts; and in connection with such collections, take (and, at the Lender's direction, shall take) such action as the Debtor or the Lender may deem necessary or advisable to enforce collection of the Accounts; provided, however, that the Lender shall have the right at any time upon the security hereby constituted becoming enforceable to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such account debtors or obligors to make payment of all amounts due or to become due



to the Debtor thereunder directly to the Lender and to give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, to enforce collection of any such Accounts, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done.

After the security hereby constituted becomes enforceable,

- (d) all money or other form of payment received by the Debtor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Lender in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided by Section 5.07; and
- (e) the Debtor shall not adjust, settle or compromise the amount or payment of any Accounts, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without prior written consent of the Lender.

4.03 Release by the Lender

The Lender may, at its discretion, at any time release from the security interest created by this Agreement any part or parts of the Collateral or any other security or any surety for the Obligations either with or without sufficient consideration therefor without thereby releasing any other part of the Collateral or any person from this Agreement.

4.04 Proceeds Held in Trust

All Proceeds that are monies collected or received by the Debtor will be received by the Debtor in trust for the Lender and will be forthwith paid to the Lender. The Lender shall not exercise its rights under this Section 4.04, and the Debtor's trust obligations under this Section 4.04 need not be complied with, unless such Proceeds arise from a disposition of Collateral which is not permitted hereunder or unless and until the security hereby constituted becomes enforceable.

ARTICLE 5 - DEFAULT AND ENFORCEMENT

5.01 Enforcement

The security hereby constituted shall immediately become enforceable upon the Obligations being declared immediately due and payable pursuant to Section 7 of the Loan Agreement.

5.02 Remedies

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Lender shall have the following rights, powers and remedies:

- (a) to appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called the "**Receiver**") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being

agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Lender hereunder, and in addition, shall have the power to carry on the business of the Debtor;

- (b) to make payments to parties having prior charges or encumbrances on properties on which the Lender may hold charges or encumbrances;
- (c) to enter onto any premises where the Collateral may be located;
- (d) to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) to preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (f) to enjoy and exercise all powers necessary or incidental to the performance of all functions provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the security interest created by this Agreement, as security for the money so borrowed;
- (g) to sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that
 - (i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;
 - (ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold; and
 - (iii) subject to Section 5.07, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash or such other form of compensation as may be acceptable to the Lender, in its sole discretion;
- (h) to enjoy and exercise all of the rights and remedies of a secured party under the PPSA;



- (i) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
- (j) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:
 - (i) the Collateral is perishable;
 - (ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline speedily in value;
 - (iii) the Collateral is of a type customarily sold on a recognized market;
 - (iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;
 - (v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or
 - (vi) the Receiver disposes of the Collateral in the course of the Debtor's business;
- (k) to have Investment Property included in the Collateral registered on the books of the issuers of such Investment Property in the name of the Lender or such nominee of the Lender as the Lender shall direct;
- (l) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this Section 5.02, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral; and
- (m) at the sole option of the Lender, provided notice is given in the manner required by the PPSA to the Debtor and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations.

5.03 Receiver as Agent

The Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Lender shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its duties as set out herein.



5.04 Expenses of Enforcement

The Debtor shall pay to the Receiver the remuneration of the Receiver and all costs and expenses (including, without limitation, reasonable out-of-pocket legal fees and disbursements on a substantial indemnity basis) properly incurred by the Receiver pursuant to its appointment and the exercise of its powers hereunder, and shall pay to the Lender and the Receiver as required all amounts of money (including interest thereon) borrowed or advanced by either of them pursuant to the powers set out herein, and the obligations of the Debtor to the Lender and the Receiver pursuant to this Section 5.04 shall be payable on demand and shall bear interest at the Default Rate, which interest shall be calculated and compounded monthly and payable on demand.

5.05 Indulgences and Releases

Either the Lender or the Receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Lender or the Receiver may see fit without prejudice to the Obligations or the right of the Lender and the Receiver to repossess, hold, collect and realize the Collateral.

5.06 No Liability for Failure to Exercise Remedies

The Lender and the Receiver shall not be liable or accountable to the Debtor or to any other person for any failure to exercise any of the rights, powers and remedies set out in Section 5.02, and shall not be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of the Lender, the Receiver, the Debtor or any other party in respect of the same.

5.07 Proceeds of Disposition

Subject to the claims, if any, of the prior secured creditors of the Debtor, all monies received by the Lender or by the Receiver pursuant to Section 5.02 shall be applied as follows:

- (a) first, in payment of all costs and expenses incurred by the Lender in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the costs and expenses referred to in Sections 3.01(i) and 3.02 and in payment of all of the remuneration of the Receiver and all costs and expenses properly incurred by the Receiver in the exercise of all or any of the powers granted to it under this Agreement, including, without limitation, the remuneration, costs and expenses referred to in Section 5.04;
- (b) second, in payment of all amounts of money borrowed or advanced by either of the Lender or the Receiver pursuant to the powers set out in this Agreement and any interest thereon;
- (c) third, to the payment or prepayment of the Obligations, provided that if there are not sufficient moneys to pay all of the Obligations, the Lender may apply the



moneys available to such part or parts thereof as the Lender, in its sole discretion, may determine; and

- (d) fourth, in payment of any surplus in accordance with Applicable Law.

5.08 Debtor Liable for Deficiency

If the monies received by the Lender or the Receiver pursuant to Section 5.02 are not sufficient to pay the claims set out in Sections 5.07(a), (b) and (c), the Debtor shall immediately pay the Lender the amount of such deficiency.

5.09 Restriction on Debtor

Upon the Lender taking possession of the Collateral or the appointment of a Receiver in accordance with the terms hereof or of the Loan Agreement, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent permitted by law, be suspended unless specifically continued by the written consent of the Lender; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

5.10 Rights Cumulative

All rights and remedies of the Lender set out in this Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document or now or hereafter existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

5.11 Care by the Lender

The Lender shall exercise reasonable care in the custody and preservation of any of the Collateral in the Lender's possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

5.12 Standards of Sale

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;



- (b) Collateral may be disposed of by public sale following one advertisement in a newspaper or trade publication having general circulation in the location of such Collateral at least seven days prior to such sale;
- (c) Collateral may be disposed of by private sale after receipt by the Lender of two written offers;
- (d) the purchaser or lessee of such Collateral may be a customer of the Lender;
- (e) the disposition may be for cash or credit, or part cash and part credit; and
- (f) the Lender may establish a reserve bid in respect of all or any portion of the Collateral.

ARTICLE 6 - GENERAL

6.01 Waiver

Any breach by the Debtor of any of the provisions contained in this Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Lender in writing, provided that no such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

6.02 The Lender as Attorney

The Debtor hereby irrevocably appoints the Lender and any person further designated by the Lender to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and, after the happening of any event by which the security hereby constituted becomes enforceable, to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Lender. The power of attorney hereby granted is coupled with an interest, is irrevocable and shall extend to the successor and assigns of the Debtor. The Debtor agrees to be bound by any representations and actions made or taken in good faith by the Lender pursuant to this power of attorney in accordance with the terms thereof and hereby waives any and all defences which may be available to it to contest, negate or disaffirm the actions of the Lender taken in good faith under this power of attorney.

6.03 Further Assurances

The Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers and assurances and take all such further action or cause such further action to be taken as the Lender shall reasonably require for the better assuring, charging, assigning and conferring unto the Lender a security interest in the Collateral or property intended to be charged hereunder, or which the Debtor may hereafter become bound to charge in favour of the Lender, for the purpose of accomplishing and effecting the intention of this Agreement.



6.04 Continuing Security

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time are paid and performed in full and this Agreement is terminated.

6.05 No Obligation to Advance

Neither the execution nor delivery of this Agreement shall obligate the Lender to advance any moneys to the Debtor.

6.06 Consumer Goods

Notwithstanding any other clause in this Agreement, in no event shall goods that are used or acquired for use primarily for personal, family or household purposes form part of the Collateral.

6.07 Notices

Any demand, notice or other communication in connection with this Agreement shall be in writing and shall be delivered in accordance with the Loan Agreement.

6.08 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Debtor and its successors and permitted assigns.

6.09 Amalgamation of Debtor

The Debtor hereby acknowledges and agrees that, subject to compliance with the Loan Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Debtor", when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interest granted hereby:

- (a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
- (b) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender thereafter arising; and
- (c) shall attach to "Collateral" owned by each corporation amalgamating with the Debtor and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.



6.10 Entire Agreement

Except for the Loan Agreement and any document, agreement or instrument delivered pursuant thereto or referred to therein, this Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreements, undertakings, declarations, representations and undertakings, both written and oral, in respect of the subject matter hereof.

6.11 Receipt of Financing Statement, etc

The receipt by the Debtor's legal counsel of a financing statement or financing change statement shall be deemed to be receipt of same by the Debtor.

6.12 Acknowledgment

The Debtor hereby acknowledges receipt of an executed copy of this Agreement.

6.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount.

6.14 Delivery and Electronic Signature

To evidence the fact that it has executed this Agreement, the Debtor may send a signed copy of this Agreement or its signature to this Agreement by sending a scanned or other copy by electronic mail or similar means and the signature sent in that way shall be deemed to be its original signature for all purposes. Each party agrees that the electronic signature of the Debtor included in this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

6.15 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile transmission or emailed PDF and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF the Debtor has executed this Agreement as of the date first written above.

LLOYD-JAMES MARKETING GROUP INC.

Per: DocuSigned by:
Mitchell Scott
Name: Mitchell Scott
Title: Manager

Per: _____
Name:
Title:
We have the authority to bind the Corporation



Exhibit "H6"

SECURITY AGREEMENT

This Security Agreement (this "*Agreement*") is dated as of June 7, 2021, by and among VGFC Holdings LLC (the "*US Guarantor*"), and the other parties executing this Agreement under the heading "*Debtors*" (the US Guarantor and such other parties, along with any parties who execute and deliver to the Secured Party an agreement substantially in the form attached hereto as Exhibit A, being hereinafter referred to collectively as the "*Debtors*" and individually as a "*Debtor*"), and Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "*Secured Party*").

PRELIMINARY STATEMENTS

A. The Very Good Food Company Inc. (the "*Borrower*") and the Secured Party have entered into a Loan Agreement dated as of June 7, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified, the "*Credit Agreement*"), pursuant to which the Secured Party has agreed, subject to certain terms and conditions, to extend credit and make certain other financial accommodations available to the Borrower.

B. As a condition to extending credit or otherwise making financial accommodations available to or for the account of the Borrower, the Secured Party requires, among other things, that each Debtor grant to the Secured Party, a Lien on and security interest in the personal property and fixtures of such Debtor described herein subject to the terms and conditions hereof.

C. The Borrower owns, directly or indirectly, equity interests in each Debtor and the Borrower provides each of the Debtors with financial, management, administrative, and technical support which enables such Debtors to conduct their businesses in an orderly and efficient manner in the ordinary course.

D. Each Debtor will benefit, directly or indirectly, from credit and other financial accommodations extended by the Secured Party to the Borrower.

NOW, THEREFORE, for good and valuable consideration, receipt whereof is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions; Interpretation. (a) Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement. All terms which are used in this Agreement which are defined in the UCC shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide.

(b) In addition, the following terms shall have the meanings set forth below:

"*CFC*" means (i) any entity treated as a "controlled foreign corporation" within the meaning of Section 957 of the IRC for U.S. federal income tax purposes or (ii) any entity whose sole asset (other than a de minimis amount) is equity of an entity described in clause (i) of this definition.

“*Collateral*” has the meaning specified in Section 2.

“*Collateral Access Agreement*” means any landlord waiver, warehouse, processor or other bailee letter or other agreement, in form and substance satisfactory to the Secured Party, between the Secured Party and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of a Debtor for any real property where any Collateral is located.

“*Excluded Deposit Account*” means (x) a deposit account the balance of which consists exclusively of (and is identified when established as an account established solely for the purposes of) (a) amounts as are required in the reasonable judgment of a Debtor to pay all Taxes required to be collected, remitted or withheld (including income Taxes and federal, state, local or foreign employment Taxes) to the Internal Revenue Service or any other U.S., federal, state or local or foreign government agencies, (b) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of any Debtor, (c) amounts which are required to be pledged or otherwise provided as security pursuant to any requirement of any Governmental Authority or foreign pension requirement, (d) amounts to be used to fund payroll obligations (including, but not limited to, amounts payable to any employment contracts between any Debtor and their respective employees) and (e) amounts held as an escrow or fiduciary or in trust for the benefit of another Person in the ordinary course of business and (y) a zero-balance disbursement account.

“*Excluded Property*” means (i) any Excluded Deposit Account, (ii) any property as to which the Secured Party and such Debtor shall reasonably determine that the costs of obtaining a security interest are excessive in relation to the value of the security to be afforded thereby, and (iii) unless requested by the Secured Party after the occurrence and during the continuation of an Event of Default, voting equity interests of any CFC, solely to the extent that (x) such equity interests represent more than 65% of the outstanding voting equity interests of such CFC, and (y) pledging or hypothecating more than 65% of the total outstanding voting equity interests of such CFC would reasonably be expected to result in a material adverse tax consequence to such Debtor.

“*Government Contract*” means a contract between any Debtor and an agency, department or instrumentality of the United States or any state, municipal or local Governmental Authority located in the United States or all obligations of any such Governmental Authority arising under any Account now or hereafter owing by any such Governmental Authority, as Account Debtor, to any Debtor

“*Organizational Documents*” means, with respect to any Person, such Person’s certificate of incorporation and bylaws (or equivalent constating documents).

“*Paid in Full*” or “*Payment in Full*” means (i) the indefeasible payment in full in cash of the Secured Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted), and (ii) the termination of the Secured Party’s commitment to extend financial accommodations to the Borrower or any Debtor.

"Permitted Collateral Location" means the locations listed on Schedule B.

"Pledged Equity" means all (i) certificated and uncertificated Securities and (ii) any other equity interest of any Person constituting a General Intangible, in each case owned by any Debtor, and including all right, title and interest of such Debtor in, to and under any Organizational Document with respect to such Securities or such Person to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule F.

"Pledged Issuer" means the issuer of any Pledged Equity.

"Receivables" means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

"Secured Obligations" means (a) any and all Obligations (whether arising before or after the filing of a petition in bankruptcy and including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower or a Debtor in a case under Title 11 of the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees, and charges would be an allowed claim against the Borrower or such Debtor in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint, or joint and several, and (b) any and all reasonable out-of-pocket expenses and charges, legal or otherwise, suffered or incurred by the Secured Party or its affiliates in collecting or enforcing any of such indebtedness, obligations, or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby.

"UCC" means the Uniform Commercial Code of the State of New York as in effect from time to time.

"Vehicles" means all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title under the laws of any state, all tires and all other appurtenances to any of the foregoing.

(c) The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this



Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 2. Grant of Security Interest in the Collateral. As collateral security for the Secured Obligations, each Debtor hereby grants to the Secured Party, a Lien on and security interest in, all right, title, and interest of each Debtor, whether now owned or existing or hereafter created, acquired or arising, in and to all of the following:

- (a) Accounts (including Health-Care-Insurance Receivables, if any);
- (b) Cash, currency, cash equivalents, and monies;
- (c) Chattel Paper;
- (d) Commercial Tort Claims (as described on Schedule G or on one or more supplements to this Agreement);
- (e) Deposit Accounts;
- (f) Documents;
- (g) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);
- (h) Fixtures;
- (i) General Intangibles (including Payment Intangibles and Software, patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registration, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);
- (j) Goods and personal property of such Debtor, whether tangible or intangible and wherever located;
- (k) Instruments (including Promissory Notes);
- (l) Inventory;
- (m) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts);

- (n) Letters of Credit and Letter-of-Credit Rights;
- (o) Pledged Equity;
- (p) Supporting Obligations;
- (q) Vehicles;
- (r) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of such Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;
- (s) Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and
- (t) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the "*Collateral*"; *provided* that the Collateral shall not include any Excluded Property. Notwithstanding anything in this Agreement to the contrary, the right of recovery against any Debtor under this Agreement shall not exceed \$1.00 less than the lowest amount that would render such Debtor's obligations under this Agreement void or voidable under applicable law, including fraudulent conveyance law.

Section 3. Representations and Warranties. Each Debtor hereby represents and warrants to the Secured Party that:

(a) *Credit Agreement Representations and Warranties.* All of the representations and warranties contained in the Credit Agreement which are applicable to each Debtor are true, correct and complete in all material respects.

(b) *No Consent.* No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for (i) the grant by any Debtor of the security interest purported to be created hereby in the Collateral or (ii) the exercise by the Secured Party of any of its rights and remedies hereunder, except, in the case of this clause (iii), as may be required in connection with any sale of any Pledged Equity by laws affecting the offering and sale of securities generally, or as required under the UCC.

(c) *Permitted Encumbrances.* The Collateral and every part thereof is and shall be free and clear of all Liens, except for Permitted Encumbrances.

(d) *Title.* Each Debtor is the sole and lawful owner of its Collateral and has the right to pledge, sell, assign or transfer the same.

(e) *Legal Name; Jurisdiction of Organization.* Schedule A sets forth each Debtor's exact legal name, type of organization, and jurisdiction of organization. No Debtor has transacted business at any time during the immediately preceding five-year period, and does not currently transact business, under any other legal names or trade names other than the prior legal names and trade names set forth on Schedule A.

(f) *Chief Executive Office; Locations of Collateral.* Schedule B sets forth the jurisdiction of each Debtor's chief executive office. Each Debtor has no other chief executive office located in any jurisdiction other than that listed on Schedule B. Schedule B sets forth the complete street and mailing address, as well as legal description, of any real property owned by any Debtor. Schedule B sets forth the complete street and mailing address of any real property leased by any Debtor or at which any Collateral may be kept, stored or otherwise located as of the date hereof (such schedule also identifies the landlord of such real property, such landlord's notice address, and the nature of such location). The Collateral is and shall remain in such Debtor's possession or control at the Permitted Collateral Locations, except for (i) Collateral which in the ordinary course of the Debtor's business is in transit between locations disclosed on Schedule B and (ii) Collateral aggregating less than \$100,000 in fair market value outstanding at any one time.

(g) *Intellectual Property.* As of the date hereof, Schedule C contains a true, correct, and complete listing of all patents, trademarks, tradestyles, copyrights, and other intellectual property rights (including all registrations and applications therefor) owned by each of the Debtors that are registered with any Governmental Authority. Each Debtor owns or possesses rights to use all franchises, licenses, patents, trademarks, trade names, tradestyles, copyrights, and rights with respect to the foregoing which are required to conduct its business and which do not infringe on the rights of any third party, except to the extent the failure to own or possess the right to use any such property could not reasonably be expected to have a Material Adverse Effect. Except for those matters which could not reasonably be expected to have a Material Adverse Effect, (x) no event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and (y) such Debtor is not liable to any person for infringement under applicable law with respect to any such rights as a result of its business operations.

(h) *Fixtures.* As of the date hereof, Schedule D contains a true, correct, and complete legal description of real estate (as well as the name of the record owner of such real estate) upon which certain Equipment of the Debtors has become attached so as to be a fixture.

(i) *Deposit Accounts.* As of the date hereof, Schedule E contains a true, correct, and complete listing of all Deposit Accounts of the Debtors, which listing includes the account number and depository institution of such Deposit Accounts.

(j) *Pledged Equity and Instruments.* As of the date hereof, Schedule F contains a true, correct, and complete listing of all Pledged Equity, other Investment Property, and Instruments of the Debtors. The Pledged Equity has been duly authorized and validly issued and is fully paid and



nonassessable and the holders thereof are not entitled to any preemptive, first refusal or other similar rights. Except as noted in Schedule F, as of the date hereof, the Pledged Equity constitutes 100% of the issued shares of equity interests of the Pledged Issuers. All other shares of equity interests constituting Pledged Equity will be duly authorized and validly issued, fully paid and nonassessable. Except as noted in Schedule F, with respect to each Pledged Issuer that is a partnership or a limited liability company, no such Person has opted into (and no Debtor has caused any of its Subsidiaries that is a partnership or a limited liability company and a Pledged Issuer to opt into) Article 8 of the UCC. All such certificated Pledged Equity and Instruments have been delivered to the Secured Party to the extent (i) requested by the Secured Party or (ii) as required by the terms of this Agreement.

(k) *Commercial Tort Claims.* As of the date hereof, Schedule G contains a true, correct, and complete listing of all Commercial Tort Claims held by the Debtors, which listing describes each such Commercial Tort Claim by referring to a specific incident giving rise to such Commercial Tort Claim.

(l) *[Reserved].*

(m) *Inventory.* No Debtor's Inventory is or is committed to be consigned to any other Person.

(n) *Margin Stock.* As of the date hereof, no Debtor's Pledged Equity or Investment Property consists of margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System) except to the extent such Debtor has delivered to the Secured Party a duly executed and completed Form U-1 with respect to such stock.

(o) *Perfection.* No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for the perfection of the security interest purported to be created hereby in the Collateral, except (i) for the filing under the Uniform Commercial Code as in effect in the applicable jurisdiction of the financing statements described in Schedule H, (ii) with respect to the perfection of the security interest created hereby in the intellectual property, for the recording of the appropriate agreements in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, (iii) with respect to any action that may be necessary to obtain control of Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter of Credit Rights, the taking of such actions, and (iv) the Secured Party's having possession of all Documents, Chattel Paper, Instruments and cash constituting Collateral.

Section 4. Covenants. Each Debtor hereby covenants to the Secured Party until the Secured Obligations are Paid in Full that:

(a) *[Reserved].*

(b) *Intellectual Property.* Each Debtor agrees to promptly notify the Secured Party in writing of any additional intellectual property rights acquired or arising after the date hereof that are or are required to be registered with any Governmental Authority and shall submit to the

Secured Party a supplement to Schedule C to reflect such additional rights (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(c) *Fixtures.* Each Debtor agrees to promptly notify the Secured Party in writing of any Equipment becoming affixed to any real property not previously disclosed to the Secured Party on Schedule D so as to be a fixture and shall submit to the Secured Party a supplement to Schedule D to disclose such real property (provided any Debtor's failure to do so shall not impair the Secured Party's security interest in such fixture).

(d) *Deposit Accounts.* Each Debtor agrees to promptly notify the Secured Party in writing of any other Deposit Account opened or maintained by such Debtor after the date hereof and shall submit to the Secured Party a supplement to Schedule E to reflect such additional accounts (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein). With respect to any Deposit Account (other than any Deposit Account constituting Excluded Property) maintained by a depository institution other than the Secured Party, within 30 days after the opening of such Deposit Account (or such later date acceptable to the Secured Party in its sole discretion), the depository institution, and the Secured Party shall execute and deliver an account control agreement in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Secured Party directing the disposition of the funds in the Deposit Account without further consent by such Debtor.

(e) *Pledged Equity and Instruments.*

(i) Each Debtor agrees to promptly notify the Secured Party in writing of any Pledged Equity, Instruments evidencing an amount in excess of \$100,000, or other Investment Property evidencing an amount in excess of \$100,000 acquired or maintained by such Debtor after the date hereof and shall submit to the Secured Party a supplement to Schedule F to reflect such additional rights (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(ii) Upon the Secured Party's request and to the extent such certificates are in the possession of a Debtor, certificates for all certificated securities now or at any time constituting Pledged Equity or Investment Property evidencing an amount in excess of \$100,000 (which minimum threshold shall not apply to any Pledged Equity of any Subsidiary of a Debtor) and part of the Collateral hereunder shall be promptly delivered by the relevant Debtor to the Secured Party duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto, including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision or reclassification of the Pledged Equity or Investment Property or any part thereof or received in addition to, in substitution of or in exchange for the Pledged Equity or Investment Property or any part thereof as a result of a merger, consolidation or otherwise. With respect to any uncertificated securities or any Pledged Equity or Investment Property held by a securities intermediary, commodity intermediary, or other financial intermediary of any kind, within 30 days after the opening of any such account with such intermediary (or such later date acceptable to the Secured Party in its sole discretion), the relevant Debtor shall execute and deliver,



of \$100,000 (provided any Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(g) *[Reserved]*.

(h) *Inventory and Equipment*. Upon the Secured Party's written request, each Debtor shall promptly deliver any document of title evidencing Inventory in an amount in excess of \$100,000. Each Debtor shall at its own cost and expense maintain, keep, and preserve its Inventory in good and merchantable condition and keep and preserve its Equipment that is used or useful in the conduct of its business in good repair, working order, and condition, ordinary wear and tear excepted, and, without limiting the foregoing, make all necessary and proper repairs, replacements, and additions thereto consistent with industry practices. Each Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, use, consume, sell, and lease the Inventory in the ordinary course of its business, but a sale in the ordinary course of business shall not under any circumstance include any transfer or sale in satisfaction, partial or complete, of a debt owing by such Debtor. Each Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party, sell Equipment to the extent permitted by Section 5.2(f) of the Credit Agreement.

(i) *Margin Stock*. Each Debtor agrees to promptly notify the Secured Party in writing if at any time the Pledged Equity or Investment Property or any part thereof consists of margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States) and to deliver to the Secured Party a duly executed and completed Form U-1 and such other instruments and documents reasonably requested by the Secured Party in form and substance satisfactory to the Secured Party.

(j) *Government Contracts*. If any Receivable arises out of a Government Contract evidencing an amount in excess of \$100,000, each Debtor agrees to promptly notify the Secured Party in writing, and, at the request of the Secured Party, execute whatever instruments and documents are required by the Secured Party in order that such Receivable shall be assigned to the Secured Party and that proper notice of such assignment shall be given under the federal Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be.

(k) *Instruments and Chattel Paper*. To the extent any Receivable or other item of Collateral is evidenced by an Instrument or tangible Chattel Paper, each Debtor shall cause such Instrument or tangible Chattel Paper to be pledged and delivered to the Secured Party; *provided, however*, that, prior to the existence of an Event of Default and thereafter until otherwise required by the Secured Party, a Debtor shall not be required to deliver any such Instrument or tangible Chattel Paper if and only so long as the aggregate unpaid principal balance of all such Instruments and tangible Chattel Paper held by the Debtors and not delivered to the Secured Party hereunder is less than \$100,000 at any one time outstanding.

(l) *Receivables*. Each Debtor will, except as otherwise provided in this subsection (c), continue to collect, at its own expense, all amounts due or to become due under the Accounts and payment rights arising under Chattel Paper, Instruments and Payment Intangibles. After receipt



and shall cause any such issuer or intermediary to execute and deliver, an agreement among such Debtor, the Secured Party, and such issuer or intermediary in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the issuer's or intermediary's agreement that it will comply with such entitlement orders, and apply any value distributed on account of any Investment Property or Subsidiary Interests, as directed by the Secured Party without further consent by such Debtor.

(iii) Unless and until an Event of Default has occurred and is continuing and thereafter until notified to the contrary by the Secured Party pursuant to Section 8(c) hereof (x) each Debtor shall be entitled to exercise all voting and/or consensual powers pertaining to its Pledged Equity and Investment Property, or any part thereof, for all purposes not inconsistent with the terms of this Agreement, the Credit Agreement or any other document evidencing or otherwise relating to any Secured Obligations; and (y) each Debtor shall be entitled to receive and retain all cash dividends paid upon or in respect of its Pledged Equity and Investment Property to the extent permitted by the Credit Agreement subject to the Lien of the Secured Party; *provided, however*, that any and all (A) dividends and interest paid or payable other than in cash in respect of, and Instruments and other property received, receivable or otherwise distributed in respect of or in exchange for, any Pledged Equity, (B) dividends and other distributions paid or payable in cash in respect of any Equity Interests in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus, and (C) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledged Equity, together with any dividend, interest or other distribution or payment which at the time of such payment was not permitted by the Credit Agreement, shall be, and shall forthwith be delivered to the Secured Party, to hold as, Pledged Equity and shall, if received by any of the Debtors, be received in trust for the benefit of Secured Party, shall be segregated from the other property or funds of the Debtors, and shall be forthwith delivered to the Secured Party in the exact form received with any necessary indorsement and/or appropriate stock powers duly executed in blank, to be held by Secured Party as Pledged Equity and as further collateral security for the Secured Obligations.

(iv) After the occurrence and during the continuation of any Default or Event of Default, no Debtor shall sell all or any part of its Pledged Equity or Investment Property without the prior written consent of the Secured Party.

(v) Each Debtor agrees to promptly notify the Secured Party in writing if such Debtor or any Subsidiary of such Debtor that is a partnership or a limited liability company permits such partnership interests or membership interests to (i) be dealt in or traded on securities exchanges or in securities markets, (ii) become a security for purposes of Article 8 of any relevant UCC, (iii) become an investment company security within the meaning of Section 8-103 of any relevant UCC or (iv) be evidenced by a certificate and agrees to comply with clause (ii) of this Section 4(e) with respect to such partnership interests or membership interests.

(f) *Commercial Tort Claims.* Each Debtor agrees to execute and deliver to the Secured Party an agreement in the form attached hereto as Exhibit B, or in such other form reasonably acceptable to the Secured Party, promptly upon becoming aware of any Commercial Tort Claim of such Debtor arising after the date hereof that is reasonably expected to have a value in excess

by any Debtor of a notice from the Secured Party that the Secured Party has notified, intends to notify, or has enforced or intends to enforce a Debtor's rights against the Account Debtors or obligors under any Accounts as referred to in the immediately preceding sentence, all amounts and proceeds (including Instruments) received by such Debtor in respect of the Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of such Debtor and shall be forthwith paid over to the Secured Party or its designated agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as specified in Section 11.

(m) *Collateral Access Agreements.* If any Collateral is in the possession or control of any agents or processors of a Debtor and the Secured Party so requests in writing, such Debtor agrees to notify such agents or processors in writing of the Secured Party's Lien and security interest therein and instruct them to hold all such Collateral for the Secured Party's account and subject to the Secured Party's instructions. Each Debtor will, upon the request of the Secured Party, authorize and instruct all bailees and any other parties, at any time processing, labeling, packaging, holding, storing, shipping or transferring all or any part of the Collateral to permit the Secured Party and its representatives to examine and inspect any of the Collateral then in such party's possession and to verify from such party's own books and records any information concerning the Collateral or any part thereof which the Secured Party or its representatives may seek to verify. As to any location not owned by a Debtor wherein any of the Collateral is located, such Debtor shall, upon the Secured Party's written request, deliver a Collateral Access Agreement with respect to such location.

(n) *Continued Perfection; Further Information.* Each Debtor shall (i) maintain the Lien created by this Agreement as a first priority perfected security interest (subject only to Permitted Encumbrances) and (ii) warrant and defend the Collateral against any claims and demands of all Persons at any time claiming the same or any interest in the Collateral adverse to the Secured Party. Each Debtor agrees from time to time to deliver to the Secured Party such evidence of the existence, identity, and location of its Collateral and of its availability as collateral security pursuant hereto (including, without limitation, schedules describing all Receivables created or acquired by such Debtor, copies of customer invoices or the equivalent and original shipping or delivery receipts for all merchandise and other goods sold or leased or services rendered by it, together with such Debtor's warranty of the genuineness thereof, and reports stating the book value of its Inventory and Equipment by major category and location), in each case as the Secured Party may reasonably request. Upon the occurrence and during the continuance of an Event of Default, the Secured Party shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Secured Party considers appropriate and reasonable, and each Debtor agrees to furnish all assistance and information, and perform any acts, which the Secured Party may require in connection therewith.

(o) *Further Assurances.* Each Debtor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments, and documents, and to do all such other things, as the Secured Party may reasonably deem necessary or appropriate to assure the Secured Party of its Lien, including, without limitation, (i) such financing statements or other instruments and documents as the Secured Party may from time to time reasonably require to comply with the UCC and any other applicable law, (ii) such agreements with respect to patents, trademarks, copyrights,



and similar intellectual property rights as the Secured Party may from time to time reasonably require to comply with the filing requirements of the United States Patent and Trademark Office and the United States Copyright Office, and (iii) such control agreements with respect to Deposit Accounts, Pledged Equity, Investment Property, Letter-of-Credit Rights, and electronic Chattel Paper, and to cause the relevant depository institutions, financial intermediaries, and issuers to execute and deliver such control agreements, as the Secured Party may from time to time reasonably require. Each Debtor hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Secured Party without notice thereof to such Debtor wherever the Secured Party in its sole discretion desires to file the same. Each Debtor hereby authorizes the Secured Party to file any and all financing statements covering the Collateral or any part thereof as the Secured Party may require, including financing statements describing the Collateral as "all assets" or "all personal property" or words of like meaning. The Secured Party may order lien searches from time to time against any Debtor and the Collateral to the extent the Secured Party determines reasonably necessary, and the Debtors shall promptly reimburse the Secured Party for all reasonable costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than New York becomes or is applicable to the Collateral or any part thereof, or to any of the Secured Obligations, each Debtor agrees to execute and deliver all such agreements, assignments, instruments, and documents and to do all such other things as the Secured Party deems necessary or appropriate to preserve, protect, and enforce the Lien of the Secured Party under the law of such other jurisdiction.

(p) *Secured Party May Perform.* On failure of any Debtor to perform any of the covenants and agreements herein contained, the Secured Party may, at its option, perform the same and in so doing may expend such sums as the Secured Party deems advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens, and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtors upon demand, shall constitute additional Secured Obligations secured hereunder, and shall bear interest from the date said amounts are expended at the rate per annum (computed on the basis of a year of 360 days for the actual number of days elapsed) determined by adding 5.0% per annum to the US Dollar Interest Rate (such rate per annum as so determined being hereinafter referred to as the "*Default Rate*"). No such performance of any covenant or agreement by the Secured Party on behalf of a Debtor, and no such advancement or expenditure therefor, shall relieve any Debtor of any default under the terms of this Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Secured Party, in performing any act hereunder, shall be the sole judge of whether the relevant Debtor is required to perform the same under the terms of this Agreement. The Secured Party is hereby authorized to charge any account of any Debtor maintained with the Secured Party for the amount of such sums and amounts so expended.



(q) *Organizational Documents*. No Debtor shall amend its Organizational Documents in any manner materially adverse to the Secured Party without the prior written consent of the Secured Party. Each Debtor shall provide the Secured Party with copies of all amendments to any Organizational Documents.

(r) *Payment of Taxes; Compliance with Laws*. Each Debtor will promptly pay when due all taxes, assessments, and governmental charges and levies upon or against it or its Collateral, in each case unless the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with generally accepted accounting principles have been provided. Each Debtor will comply in all material respects with the terms and conditions of (i) any and all leases, easements, right-of-way agreements, and other agreements binding upon such Debtor or affecting the Collateral, in each case which cover the premises wherein the Collateral is located, and (ii) any orders, ordinances, laws or statutes of any Governmental Authority with respect to such premises and the conduct of business thereon and the use, manufacture, sale or distribution of Collateral.

(s) *[Reserved]*.

(t) *Performance of Contracts*. Each Debtor will perform in all material respects its obligations under any contract or other agreement constituting part of the Collateral, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, it being understood and agreed that the Secured Party has no responsibility to perform such obligations.

Section 5. Consent of Pledged Issuers. The Debtors constitute all of the shareholders or members, as applicable, of such Pledged Issuers. By executing this Agreement, each Debtor, as a shareholder or member, as applicable, of each such Pledged Issuer, and each Pledged Issuer (in addition to any other covenants, representations and warranties each has made as a Debtor, if applicable, hereunder), acknowledges and agrees that: (a) such Pledged Issuer consents to the applicable Debtor's grant of a security interest in such Debtor's limited liability company interests in such Pledged Issuer to the Secured Party, including without limitation, all economic, management and ownership interests, notwithstanding anything to the contrary contained in the applicable organizational agreement; (b) all parties required by the terms of such Pledged Issuer's Organizational Documents to approve the collateral assignment made by this Agreement have done so, and the interest of the Secured Party by virtue of that assignment has been reflected on the books and records of such Pledged Issuer; (c) by virtue of this Agreement, the Secured Party has the right, upon the occurrence and during the continuation of an Event of Default, at its option, to exercise all rights of the applicable Debtor in such Pledged Issuer, and such Pledged Issuer agrees to comply with all instructions originated by the Secured Party without further consent by the applicable Debtor; (d) the right of the Secured Party to enforce its rights and remedies under this Agreement and any such action taken in accordance therewith shall be valid and effective under the applicable organizational agreement; (e) upon the occurrence and during the continuation of an Event of Default, any transfer, assignment, sale or other disposition of the limited liability company interests in such Pledged Issuer by the Secured Party pursuant to this Agreement shall be valid and effective for all purposes to transfer the right, title and interest of the applicable Debtor to the assignee or Person designated by the Secured Party in accordance with

this Agreement (including, without limitation, in accordance with this Agreement, the rights to participate in the management of the business and affairs of such Pledged Issuer, to share profits and losses, to receive distributions, and to exercise all rights and powers of a member), and such transferee shall be admitted as a member of the Pledged Issuer, with all rights and powers attendant to the limited liability company interests of such Pledged Issuer, without any further action of any Person (including any party to this Agreement) and without such admission being subject to any rights of first refusal, rights of first offer or any other limitation, consent or approval of any kind; (f) upon admission of such transferee, the applicable Debtor shall cease to be a member or to have any power to exercise any rights or powers of a member; and (g) such Pledged Issuer waives its rights, to the extent it has any, under its Organizational Documents, to the extent such rights conflict with the provisions of and rights granted to the Secured Party and the Secured Party's assignees to permit the Secured Party to exercise its rights under this Agreement.

Section 6. [Reserved].

Section 7. Special Provisions Re: Receivables. Unless and until an Event of Default has occurred and is continuing and thereafter, unless otherwise notified by the Secured Party, any merchandise or other goods which are returned by a customer or account debtor or otherwise recovered may be resold by a Debtor in the ordinary course of its business as presently conducted in accordance with Section 4(h); and, during the existence of any Event of Default, such merchandise and other goods shall be set aside at the request of the Secured Party and held by the relevant Debtor as trustee for the Secured Party and shall remain part of the Collateral. Unless and until an Event of Default has occurred and is continuing and thereafter unless otherwise notified by the Secured Party, the Debtors may settle and adjust disputes and claims with its customers and account debtors, handle returns and recoveries, and grant discounts, credits, and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the relevant Debtor in good faith considers advisable; and, during the existence of any Event of Default, at the Secured Party's request, the Debtors shall notify the Secured Party promptly of all returns and recoveries and, on the Secured Party's request, deliver any such merchandise or other goods to the Secured Party. During the existence of any Event of Default, at the Secured Party's request, the Debtors shall also notify the Secured Party promptly of all disputes and claims and settle or adjust them at no expense to the Secured Party, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other goods other than in the ordinary course of business as presently conducted shall be accepted by any Debtor without the Secured Party's consent. The Secured Party may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Secured Party considers advisable.

Section 8. Remedies. (a) General. Upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Secured Party may, without demand and, to the extent permitted by applicable law, without advertisement, notice, hearing or process of law, all of which each Debtor hereby waives to the extent permitted by applicable law,

at any time or times, sell and deliver any or all Collateral held by or for it at public or private sale, at any securities exchange or broker's board or at the Secured Party's office or elsewhere, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable, in its discretion. In the exercise of any such remedies, the Secured Party may sell the Collateral as a unit even though the sales price thereof may be in excess of the amount remaining unpaid on the Secured Obligations. Also, if less than all the Collateral is sold, the Secured Party shall have no duty to marshal or apportion the part of the Collateral so sold as between the Debtors, or any of them, but may sell and deliver any or all of the Collateral without regard to which of the Debtors are the owners thereof. In addition to all other sums due the Secured Party hereunder, each Debtor shall pay the Secured Party all reasonable out-of-pocket costs and expenses incurred by the Secured Party, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or any Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Debtors in accordance with Section 14(b) at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided, however*, no notification need be given to a Debtor if such Debtor has signed, after an Event of Default hereunder has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Secured Party may be the purchaser at any such sale. Each Debtor hereby waives all of its rights of redemption from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Secured Party may further postpone such sale by announcement made at such time and place. The Secured Party has no obligation to prepare the Collateral for sale. The Secured Party may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and each Debtor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

(b) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default hereunder, in addition to all other rights provided herein or by law, (i) the Secured Party shall have the right to take physical possession of any and all of the Collateral and anything found therein, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the relevant Debtor's premises (each Debtor hereby agreeing, to the extent it may lawfully do so, to lease such premises without cost or expense to the Secured Party or its designee if the Secured Party so requests) or to remove the Collateral or any part thereof to such other places as the Secured Party may desire, (ii) the Secured Party shall have the right to direct any intermediary at any time holding any Investment Property or other Collateral, or any issuer thereof, to deliver such Collateral or any part thereof to the Secured Party and/or to liquidate such Collateral or any part thereof and deliver the proceeds thereof to the Secured Party (including, without limitation, the right to deliver a notice of control with respect to any Collateral held in a



securities account or commodities account and deliver all entitlement orders with respect thereto), (iii) the Secured Party shall have the right to exercise any and all rights with respect to all Deposit Accounts of each Debtor, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw, and receive all amounts due or to become due or payable thereunder, and (iv) each Debtor shall, upon the Secured Party's demand, promptly assemble the Collateral and make it available to the Secured Party at a place reasonably designated by the Secured Party. If the Secured Party exercises its right to take possession of the Collateral, each Debtor shall also at its expense perform any and all other steps requested by the Secured Party to preserve and protect the security interest hereby granted in the Collateral, such as placing and maintaining signs indicating the security interest of the Secured Party, appointing overseers for the Collateral and maintaining Collateral records. The Secured Party may, if it so elects, without prior notice or hearing, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Secured Party's remedies (for the benefit of the Secured Party).

(c) *Pledged Equity.* Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, all rights of the Debtors to exercise the voting and/or consensual powers which they are entitled to exercise pursuant to Section 4(e)(iii) and/or to receive and retain the distributions which they are entitled to receive and retain pursuant to Section 4(e)(iii), shall, at the option of the Secured Party exercised by written notice to the Debtors, cease and thereupon become vested in the Secured Party, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property and/or to receive and retain the distributions which such Debtor would otherwise have been authorized to retain pursuant to Section 4(e)(iii) and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange or subscription or any other rights, privileges or options pertaining to any Investment Property as if the Secured Party were the absolute owner thereof including, without limitation, the rights to exchange, at its discretion, all Investment Property or any part thereof upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Secured Party of any right, privilege or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver the Investment Property or any part thereof with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Secured Party may determine. In the event the Secured Party in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable. The Secured Party may, at any time after the occurrence and during the continuation of any Event of Default, cause to be transferred into its name or the name of its nominee or nominees any and all of the Pledged Equity and Investment Property.

(d) *Receivables.* Upon the occurrence of any Event of Default and in the event the Secured Party requests any Debtor to do so:

(i) all Instruments and tangible Chattel Paper at any time constituting part of the Receivables (including any postdated checks) shall, upon receipt by such Debtor, be immediately endorsed to and deposited with Secured Party;

(ii) such Debtor shall instruct all customers and account debtors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Secured Party and which are maintained at one or more post offices selected by the Secured Party; and/or;

(iii) the Secured Party or its designee may notify the relevant Debtor's customers and account debtors at any time that Receivables have been assigned to the Secured Party or of the Secured Party's security interest therein, and either in its own name, or such Debtor's name, or both, demand, collect (including, without limitation, through a lockbox analogous to that described in Section 8(b)(ii)), receive, receipt for, sue for, compound and give acquittance for any or all amounts due or to become due on Receivables, and in the Secured Party's discretion file any claim or take any other action or proceeding which the Secured Party may deem necessary or appropriate to protect and realize upon the security interest of the Secured Party in the Receivables or any other Collateral.

(e) *Intellectual Property License.* Without in any way limiting the foregoing, effective upon the occurrence and during the continuance of an Event of Default, each Debtor hereby grants to the Secured Party an irrevocable license (or sublicense, as the case may be) and right to use all of such Debtor's patents, patent applications, patent licenses, trademarks, trademark registrations, trademark licenses, trade names, trade styles, and similar intangibles in connection with any foreclosure or other realization by the Secured Party on all or any part of the Collateral to the extent permitted by law. The license and right granted the Secured Party hereby shall be paid-up and without any additional royalty or fee or charge whatsoever.

(f) *No Duty.* The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on them any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property, consisting of similar type assets, it being understood, however, that the Secured Party shall have no responsibility for (i) ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral, or (iii) initiating any action to protect the Collateral or any part thereof against the possibility of a decline in market value. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Debtors in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; *provided* that, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages.

(g) *Nonexclusive Nature.* Failure by the Secured Party to exercise any right, remedy or option under this Agreement or any other agreement between any Debtor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver;

and no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have. For purposes of this Agreement, an Event of Default shall be construed as continuing after its occurrence until the same is waived in writing by the Secured Party.

Section 9. Power of Attorney. In addition to any other powers of attorney contained herein, each Debtor hereby appoints the Secured Party, its nominee, or any other person whom the Secured Party may designate as such Debtor's attorney-in-fact, with full power and authority upon the occurrence and during the continuation of any Event of Default to sign such Debtor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to such Debtor's customers, account debtors, and other obligors; to exercise all voting rights with respect to the Investment Property or other Collateral or any part thereof; to endorse or sign such Debtor's name on assignments, stock powers or other instruments of transfer and on any checks, notes, acceptances, money orders, drafts, and any other forms of payment or security that may come into the Secured Party's possession; to endorse the Collateral in blank or to the order of the Secured Party or its nominee; to sign such Debtor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account debtors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; to notify the post office authorities to change the address for delivery of such Debtor's mail to an address designated by the Secured Party; to receive, open, and dispose of all mail addressed to such Debtor; to adjust and settle claims under any insurance policy relating thereto; and to do all things necessary to carry out this Agreement. Each Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; *provided that*, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Secured Obligations have been Paid in Full.

Section 10. Proxy. EACH DEBTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE SECURED PARTY AS ITS PROXY AND ATTORNEY-IN-FACT WITH RESPECT TO ITS INVESTMENT PROPERTY AND OTHER COLLATERAL, INCLUDING THE RIGHT TO VOTE SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO UPON THE OCCURRENCE AND DURING THE CONTINUATION OF ANY EVENT OF DEFAULT. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL, THE APPOINTMENT OF THE SECURED PARTY AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE UPON THE OCCURRENCE AND DURING THE CONTINUATION OF ANY EVENT OF DEFAULT ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS OR OTHER EQUITY HOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS OR OTHER EQUITY HOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL ON THE RECORD BOOKS

OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE OF AN EVENT OF DEFAULT. EACH DEBTOR HEREBY RATIFIES AND APPROVES ALL ACTS OF ANY SUCH ATTORNEY AND AGREES THAT NEITHER THE SECURED PARTY NOR ANY SUCH ATTORNEY WILL BE LIABLE FOR ANY ACTS OR OMISSIONS OR FOR ANY ERROR OF JUDGMENT OR MISTAKE OF FACT OR LAW OTHER THAN SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES. THE FOREGOING POWERS OF ATTORNEY AND PROXY, BEING COUPLED WITH AN INTEREST, ARE IRREVOCABLE UNTIL THE SECURED OBLIGATIONS HAVE BEEN FULLY PAID AND SATISFIED AND ALL COMMITMENTS OF THE LENDERS TO EXTEND CREDIT TO OR FOR THE ACCOUNT OF THE BORROWER UNDER THE CREDIT AGREEMENT HAVE EXPIRED OR OTHERWISE TERMINATED.

Section 11. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Secured Party upon the occurrence and during the continuation of any Event of Default shall, when received by the Secured Party in cash or its equivalent, be applied by the Secured Party in reduction of, or held as collateral security for, the Secured Obligations in accordance with the terms of the Credit Agreement. The Debtors shall remain liable to the Secured Party for any deficiency. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Borrower, as agent for the Debtors, or to whomsoever the Secured Party reasonably determines is lawfully entitled thereto.

Section 12. Release. Upon the termination of this Agreement, the Secured Party shall, upon the request and at the expense of the Debtors, forthwith release its Liens and security interests hereunder.

Section 13. Continuing Agreement. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until the Payment in Full of all of the Secured Obligations.

Section 14. Miscellaneous. (a) Amendments; Assignments. This Agreement cannot be changed or terminated orally. This Agreement shall create a continuing Lien on and security interest in the Collateral and shall be binding upon each Debtor, its successors and assigns and shall inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its successors and permitted assigns; *provided, however*, that no Debtor may assign its rights or delegate its duties hereunder without the Secured Party's prior written consent. Without limiting the generality of the foregoing, and subject to the provisions of the Credit Agreement, any Lender may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

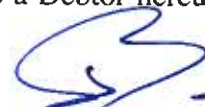
(b) *Notices.* Except as otherwise specified herein, any notice, request or communication required shall be in writing and be well and sufficiently given if delivered in accordance with the Credit Agreement.



(c) *Partial Invalidity.* In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect. Without limiting the generality of the foregoing, in the event that this Agreement shall be deemed to be invalid or otherwise unenforceable with respect to any Debtor, such invalidity or unenforceability shall not affect the validity of this Agreement with respect to the other Debtors.

(d) *Direct Obligation.* The Lien and security interest herein created and provided for stand as direct and primary security for the Secured Obligations of the Borrower arising under or otherwise relating to the Credit Agreement as well as for the other Secured Obligations secured hereby. No application of any sums received by the Secured Party in respect of the Collateral or any disposition thereof to the reduction of the Secured Obligations or any part thereof shall in any manner entitle any Debtor to any right, title or interest in or to the Secured Obligations or any collateral or security therefor, whether by subrogation or otherwise, unless and until all Secured Obligations have been Paid in Full. Each Debtor acknowledges and agrees that the Lien and security interest hereby created and provided are absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Secured Party or any other holder of any Secured Obligations, and without limiting the generality of the foregoing, the Lien and security interest hereof shall not be impaired by any acceptance by the Secured Party or any other holder of any Secured Obligations of any other security for or guarantors upon any of the Secured Obligations or by any failure, neglect or omission on the part of the Secured Party or any other holder of any of the Secured Obligations to realize upon or protect any of the Secured Obligations or any collateral or security therefor. The Lien and security interest hereof shall not in any manner be impaired or affected by (and the Secured Party, without notice to anyone, is hereby authorized to make from time to time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Secured Obligations or of any collateral or security therefor, or of any guaranty thereof, or of any instrument or agreement setting forth the terms and conditions pertaining to any of the foregoing. The Secured Party may at its discretion at any time grant credit to the Borrower without notice to the other Debtors in such amounts and on such terms as the Secured Party may elect without in any manner impairing the Lien and security interest created and provided for. In order to realize hereon and to exercise the rights granted the Secured Party hereunder and under applicable law, there shall be no obligation on the part of the Secured Party or any other holder of any Secured Obligations at any time to first resort for payment to the Borrower or any other Debtor or to any guaranty of the Secured Obligations or any portion thereof or to resort to any other collateral, security, property, Liens or any other rights or remedies whatsoever, and the Secured Party shall have the right to enforce this Agreement against any Debtor or its Collateral irrespective of whether or not other proceedings or steps seeking resort to or realization upon or from any of the foregoing are pending.

(e) *Additional Debtors.* In the event the Secured Party shall at any time in its discretion permit a substitution of Debtors hereunder or a party shall wish to become a Debtor hereunder,



such substituted or additional Debtor shall, upon executing an agreement in the form attached hereto as Exhibit B, become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Debtor had originally executed this Agreement and, in the case of a substitution, in lieu of the Debtor being replaced. Any such agreement shall contain information as to such Debtor necessary to update the Schedules hereto with respect to it. No such substitution shall be effective absent the written consent of the Secured Party nor shall it in any manner affect the obligations of the other Debtors hereunder.

(f) *Counterparts.* This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. Each Debtor acknowledges that this Agreement is and shall be effective upon its execution and delivery by such Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

(g) *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(h) *Governing Law.* This Agreement shall be deemed to have been made in the State of New York and shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws (other than Section 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

(i) *Venue.* Each Debtor hereby submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Debtor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient form. THE DEBTORS AND THE SECURED PARTY EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURE PAGES TO FOLLOW]



IN WITNESS WHEREOF, each Debtor has caused this Security Agreement to be duly executed and delivered as of the date first above written.

"DEBTORS"

VGFC HOLDINGS LLC

DocuSigned by:

Mitchell Scott

By

8830F6458B48450


Name: Mitchell Scott

Title: Manager



Accepted and agreed to as of the date first above written.

WAYGAR CAPITAL INC., as agent

By 
Name Wayne R. Ehgoetz
Title President & CEO



SCHEDULE A

A. General Information

Legal Name of Debtor	Type of Organization	Jurisdiction of Organization
VGFC Holdings LLC	Limited liability company	Delaware

B. Prior Legal Names

Debtor	Prior Legal Name and Date of Such Change (and to the extent the prior legal name is the result of a merger, list the state of incorporation and collateral locations of the merged company)
VGFC Holdings LLC	None.

C. Trade Names

Debtor	Tradenname (and if invoices use tradenname only, please indicate)
VGFC Holdings LLC	None.

SCHEDULE B

A. Chief Executive Offices

Debtor	Chief Executive Office (and name of record owner of such location)
VGFC Holdings LLC	2748 Rupert Street, Vancouver, BC (MPW Properties is the owner of this location)

B. Owned Real Estate

Debtor	Complete Street Address and Mailing Address	Legal Description
None.		

C. Leased Real Estate

Debtor	Complete Street Address and Mailing Address	Landlord and Landlord Address
VGFC Holdings LLC	220 S. 1st Street, Patterson, CA 95363	Traina Pacific, LLC 3731 Finch Road Modesto, CA 95357

SCHEDULE C

A. Trademarks

Debtor	Jurisdiction	Registration/ Serial Number	Title	Issue Date/ Filing Date
None.				

B. Copyrights

Debtor	Jurisdiction	Registration/ Serial Number	Title	Issue Date/ Filing Date
None.				

C. Patents

Debtor	Jurisdiction	Registration/ Serial Number	Title	Issue Date/ Filing Date
None.				

SCHEDULE D**A. Legal Description of any Real Estate with Fixtures (and name of record owner of such Real Estate)**

Debtor	Legal Description	Record Owner
None.		



SCHEDULE E

A. Deposit Accounts

Debtor	Name of Depository Institution	Type of Account	Account Number
None.			



SCHEDULE F

A. Pledged Equity

Debtor	Name of Issuer	Percentage of Issuer's Equity	No. of Shares / Units	Class	Certificate No. (if applicable)	Cusip Number (if applicable)
None.						

B. Other Investment Property

Debtor	Issuer of Security	Description of Security
None.		

C. Instruments and Other Negotiable Documents

Debtor	Description
None.	

SCHEDULE G**A. Commercial Tort Claims**

Debtor	Description
None.	



SCHEDULE H**A. Filing Office**

Debtor	Filing Office
VGFC Holdings LLC	Delaware Secretary of State



EXHIBIT A

ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT

THIS ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT (this “*Agreement*”) dated as of this ____ day of _____, 20__ from [new Debtor], a _____ **corporation/limited liability company/partnership** (the “*New Debtor*”), to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the “*Secured Party*”). Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Security Agreement (as hereinafter defined).

PRELIMINARY STATEMENTS

A. VGFC Holdings LLC (the “*US Guarantor*”) and certain other parties have executed and delivered to the Secured Party that certain Security Agreement dated as of June 7, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*Security Agreement*”), pursuant to which such parties (the “*Existing Debtors*”) have granted to the Secured Party a Lien on and security interest in the Existing Debtors’ Collateral to secure the Secured Obligations.

B. The Borrower provides the New Debtor with substantial financial, managerial, administrative, and technical support and the New Debtor will benefit, directly and indirectly, from credit and other financial accommodations extended by the Secured Party to the Borrower.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Secured Party from time to time, the New Debtor hereby agrees as follows:

1. The New Debtor acknowledges and agrees that it shall become a “Debtor” party to the Security Agreement effective upon the date the New Debtor’s execution of this Agreement and the delivery of this Agreement to the Secured Party, and that upon such execution and delivery, all references in the Security Agreement to the terms “Debtor” or “Debtors” shall be deemed to include the New Debtor. Without limiting the generality of the foregoing, the New Debtor hereby repeats and reaffirms all grants (including the grant of a Lien and security interest), covenants, agreements, representations, and warranties contained in the Security Agreement as amended hereby, each and all of which are and shall remain applicable to the Collateral from time to time owned by the New Debtor or in which the New Debtor from time to time has any rights. Without limiting the foregoing, in order to secure payment of the Secured Obligations, whether now existing or hereafter arising, the New Debtor does hereby grant to the Secured Party, and hereby agrees that the Secured Party has and shall continue to have a continuing Lien on and security interest in, among other things, all of the New Debtor’s Collateral, including, without limitation, all of the New Debtor’s Accounts, Chattel Paper, Instruments, Documents, General Intangibles Letter-of-Credit Rights, Supporting Obligations, Deposit Accounts, Investment Property, Inventory, Equipment, Fixtures, Commercial Tort Claims, and all of the other Collateral described in Section 2 of the Security Agreement, each and all of such granting clauses being incorporated



herein by reference with the same force and effect as if set forth herein in their entirety except that all references in such clauses to the Existing Debtors or any of them shall be deemed to include references to the New Debtor. Nothing contained herein shall in any manner impair the priority of the Liens and security interests heretofore granted in favor of the Secured Party under the Security Agreement.

2. The Schedules to the Security Agreement shall be supplemented by the schedules attached hereto with respect to the New Debtor.

3. The New Debtor hereby acknowledges and agrees that the Secured Obligations are secured by all of the Collateral according to, and otherwise on and subject to, the terms and conditions of the Security Agreement to the same extent and with the same force and effect as if the New Debtor had originally been one of the Existing Debtors under the Security Agreement and had originally executed the same as such an Existing Debtor.

4. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Security Agreement, except that any reference to the term "Debtor" or "Debtors" and any provision of the Security Agreement providing meaning to such term shall be deemed a reference to the Existing Debtors and the New Debtor. Except as specifically modified hereby, all of the terms and conditions of the Security Agreement shall stand and remain unchanged and in full force and effect.

5. The New Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Secured Party may deem necessary or proper to carry out more effectively the purposes of this Agreement.

6. No reference to this Agreement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, any reference to the Security Agreement in any of such to be deemed a reference to the Security Agreement as modified hereby.



7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

[INSERT NAME OF NEW DEBTOR]

By _____
Name _____
Title _____

Accepted and agreed to as of the date first above written.

WAYGAR CAPITAL INC., as agent

By _____
Name _____
Title _____



[SCHEDULES TO ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT]

A handwritten signature in blue ink, consisting of a stylized, cursive 'G' followed by a period.

EXHIBIT B

SUPPLEMENTAL SECURITY AGREEMENT

THIS SUPPLEMENTAL SECURITY AGREEMENT (this “*Agreement*”) dated as of this ____ day of _____, 20__ from [Debtor], a _____ **corporation/limited liability company/partnership** (the “*Debtor*”), to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the “*Secured Party*”). Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Security Agreement (as hereinafter defined).

PRELIMINARY STATEMENTS

A. VGFC Holdings LLC (the “*US Guarantor*”) and certain other parties have executed and delivered to the Secured Party that certain Security Agreement dated as of June 7, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*Security Agreement*”), pursuant to which such parties have granted to the Secured Party a Lien on and security interest in the Collateral to secure the Secured Obligations.

B. Pursuant to the Security Agreement, the Debtor granted to the Secured Party, among other things, a continuing security interest in all Commercial Tort Claims.

C. The Debtor has acquired a Commercial Tort Claim, and executes and delivers this Agreement to confirm and assure the Secured Party’s security interest therein.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to the Borrower by the Secured Party from time to time, the Debtor hereby agrees as follows:

1. In order to secure payment of the Secured Obligations, whether now existing or hereafter arising, the Debtor does hereby grant to the Secured Party, and hereby agrees that the Secured Party has and shall continue to have a continuing Lien on and security interest in the Commercial Tort Claim described below:

(Insert description of the Commercial Tort Claim by referring to a specific incident giving rise to the claim)

2. Schedule G (Commercial Tort Claims) to the Security Agreement is hereby amended to include reference to the Commercial Tort Claim referred to in Section 1 above. The Commercial Tort Claim described herein is in addition to, and not in substitution or replacement for, the Commercial Tort Claims heretofore described in and subject to the Security Agreement, and nothing contained herein shall in any manner impair the priority of the Liens and security interests heretofore granted by the Debtor in favor of the Secured Party under the Security Agreement.

3. All capitalized terms used in this Agreement without definition shall have the same meaning herein as such terms have in the Security Agreement, except that any reference to the term "Collateral" and any provision of the Security Agreement providing meaning to such term shall be deemed to include the Commercial Tort Claim referred to in Section I above. Except as specifically modified hereby, all of the terms and conditions of the Security Agreement shall stand and remain unchanged and in full force and effect.

4. The Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Secured Party may deem necessary or proper to carry out more effectively the purposes of this Agreement.

5. No reference to this Agreement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, any reference to the Security Agreement in any of such to be deemed a reference to the Security Agreement as modified hereby.

6. The Debtor acknowledges that this Agreement shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

[INSERT NAME OF DEBTOR]

By _____
 Name _____
 Title _____

This is Exhibit "I" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'G' followed by a vertical stroke.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "THE VERY GOOD FOOD COMPANY INC."

Search Date and Time: January 11, 2023 at 9:33:38 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

24 Matches in 15 Registrations in Report

Exact Matches: 24 (*)

Total Search Report Pages: 35

	Base Registration	Base Registration Date	Debtor Name	Page
1	305464M	June 29, 2020	* THE VERY GOOD FOOD COMPANY INC.	3
2	305475M	June 29, 2020	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	5
3	398441M	August 12, 2020	* THE VERY GOOD FOOD COMPANY INC.	7
4	707758M	January 14, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	11
5	711351M	January 15, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	13
6	730730M	January 26, 2021	* THE VERY GOOD FOOD COMPANY	15
7	744902M	February 2, 2021	* THE VERY GOOD FOOD COMPANY INC.	17
8	753878M	February 5, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	19
9	983949M	May 20, 2021	* THE VERY GOOD FOOD COMPANY INC. * THE VERY GOOD FOOD COMPANY INC.	22
10	985902M	May 21, 2021	* THE VERY GOOD FOOD COMPANY INC	24



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

* THE VERY GOOD FOOD COMPANY INC.

11	<u>016668N</u>	June 3, 2021	* THE VERY GOOD FOOD COMPANY INC.	<u>26</u>
			* THE VERY GOOD FOOD COMPANY INC.	
12	<u>062450N</u>	June 23, 2021	* THE VERY GOOD FOOD COMPANY	<u>28</u>
13	<u>181728N</u>	August 17, 2021	* THE VERY GOOD FOOD COMPANY INC.	<u>30</u>
			* THE VERY GOOD FOOD COMPANY INC.	
14	<u>383049N</u>	November 22, 2021	* THE VERY GOOD FOOD COMPANY INC.	<u>32</u>
15	<u>772897N</u>	June 2, 2022	* THE VERY GOOD FOOD COMPANY INC.	<u>34</u>
			* THE VERY GOOD FOOD COMPANY INC.	



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 305464M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 29, 2020 at 9:12:29 am Pacific time
Current Expiry Date and Time:	June 29, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**REISER (CANADA) CO.****Address**1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information**THE VERY GOOD FOOD COMPANY
INC.****Address**2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ONE AMFEC 510 MIXER BLENDER. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND ,INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 305475M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 29, 2020 at 9:15:26 am Pacific time
Current Expiry Date and Time:	June 29, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**REISER (CANADA) CO.****Address**1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada**THE VERY GOOD FOOD COMPANY
INC.****Address**220 S - 1ST STREET
PATTERSON CA
95363 United States of America**Vehicle Collateral**

None



General Collateral**Base Registration General Collateral:**

ONE VEMAG HP-20E CONTINUOUS STUFFER AND LOADER, ONE VEMAG HP-3 CO-EX (ALGINATE) GEL PUMP, ONE VEMAG CC215 CRIMPER/CUTTER AND OPTIONS, ONE IN-LINE GRINDER-982 WITHOUT SEPARATING, ONE CUT-OFF AND FLATTENING CONVEYOR, ONE SEYDELMANN AC-CUTTER K-556 AC-8, ONE AMFEC 510 CO2 MIXER BLENDER WITH PLC CONTROLS AND VACUUM SYSTEM ONLY, ONE AMFEC 2- ,3K2 COLUMN DUMPER WITH PORTABLE BASE, AND QUANTITY OF 10 VEMAG CARTS. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND ,INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party**REISER (CANADA) CO.****Address**

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 398441M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 12, 2020 at 12:20:35 pm Pacific time
Current Expiry Date and Time:	August 12, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**ROYAL BANK OF CANADA****Address**36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**2748 RUPERT ST
VANCOUVER BC
V5M 3T7 Canada**Vehicle Collateral**

None



General Collateral

Base Registration General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR ,THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF ,WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

Original Registering Party

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY(Showing most recent first)

AMENDMENT

Registration Date and Time: March 16, 2021 at 4:32:18 pm Pacific time
Registration Number: 834884M
Description: CHANGE DEBTOR ADDRESS.

Debtor Information**THE VERY GOOD FOOD COMPANY
INC.**

ADDRESS CHANGED

Address2748 RUPERT ST
VANCOUVER BC
V5M 3T7 Canada**Registering Party Information****D & H LIMITED PARTNERSHIP****Address**4126 NORLAND AVENUE, SUITE 201
BURNABY BC
V5G 3S8 Canada**AMENDMENT**

Registration Date and Time: November 26, 2020 at 11:18:03 am Pacific time
Registration Number: 618934M
Description: BUSINESS DEBTOR NAME AMENDED FROM: THE VERY
GOOD BUTCHERS INC. TO:THE VERY GOOD FOOD
COMPANY INC

Debtor Information**THE VERY GOOD FOOD COMPANY
INC.***(Formerly THE VERY GOOD BUTCHERS INC.)*

NAME CHANGED

AddressUNIT 6, 1701 DOUGLAS STREET
VICTORIA BC
V8W 0C1 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registering Party Information

D & H LIMITED PARTNERSHIP

Address

4126 NORLAND AVENUE, SUITE 201
BURNABY BC
V5G 3S8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 707758M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 14, 2021 at 7:45:02 am Pacific time
Current Expiry Date and Time:	January 14, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**REISER (CANADA) CO.****Address**1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**1701 DOUGLAS STREET, UNIT 6
VICTORIA BC
V8T 4P6 Canada**THE VERY GOOD FOOD COMPANY
INC.****Address**2768 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**Vehicle Collateral**

None



General Collateral

Base Registration General Collateral:

ONE AMFEC MODEL 510 VACUUM MIXER BLENDER W/C02. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND ,INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 711351M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 15, 2021 at 1:54:52 pm Pacific time
Current Expiry Date and Time:	January 15, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

**THE VERY GOOD FOOD COMPANY
INC.**

Address

2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada

**THE VERY GOOD FOOD COMPANY
INC.**

Address

2768 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada

Vehicle Collateral

None



General Collateral**Base Registration General Collateral:**

TWO AMFEC BRINE TANKS (400 GALLON), ONE AMFEC WORK PLATFORM FOR BRINE TANKS, TWO AMFEC MODEL 15C DIRECT PIVOT DUMPERS, TWO AMFEC 2- 3K2 COLUMN DUMPERS, TWO AMFEC 510 CO2 MIXER BLENDERS (2,500 LB), ONE AMFEC WORK PLATFORM FOR AMFEC MIXERS. QTY OF 20 - VEMAG CARTS (200 LITRE), AND ONE VEMAG PARTS STORAGE ,CART. SALES AGREEMENT RCC-20-0468.4.R2, DATED AND SIGNED JANUARY 6, 2021. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party**REISER (CANADA) CO.****Address**

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 730730M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 26, 2021 at 11:49:20 am Pacific time
Current Expiry Date and Time:	January 26, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

MODERN FORKLIFT SERVICES LTD

Address

PO BOX 21043 MRSQ RPO
MAPLE RIDGE BC
V2X 1P7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY

Address

2768 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)		CRWON 3000LBS END RIDER / -	1A337040
Motor Vehicle (MV)		HYSTER / 4000LBS JACK	B218N28984L
Motor Vehicle (MV)		HYSTER / 4000LBS JACK	B218N15391F
Motor Vehicle (MV)		CATERPILLAR / 5000LBS	AT3504148
Motor Vehicle (MV)		JLG / SCISSOR LIFT	0200233913
Motor Vehicle (MV)		CROWN / 4500LBS REACH TRUCK	1A354431

General Collateral

Base Registration General Collateral:

FORKLIFTS - CROWNS, HYSTERS, CATERPILLAR, JLG

Original Registering Party

MODERN FORKLIFT SERVICES LTD

Address

PO BOX 21043 MRSQ RPO
MAPLE RIDGE BC
V2X 1P7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 744902M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: February 2, 2021 at 7:48:07 am Pacific time
Current Expiry Date and Time: February 2, 2024 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

**FORD CREDIT CANADA LEASING,
 DIVISION OF CANADIAN ROAD
 LEASING COMPANY**

Address
 PO BOX 2400
 EDMONTON AB
 T5J 5C7 Canada

Debtor Information

**THE VERY GOOD FOOD COMPANY
 INC.**

Address
 1701 DOUGLAS ST
 VICTORIA BC
 V8W 0C1 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2021	FORD / F150	1FTFW1E59MKD03176

General Collateral

None.



Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON
L4Z 1H8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 753878M**DISCHARGED**

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	February 5, 2021 at 10:12:35 am Pacific time
Discharge Date and Time:	January 6, 2023 at 12:16:40 pm Pacific time
Current Expiry Date and Time:	February 5, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**TOYOTA INDUSTRIES COMMERCIAL
FINANCE CANADA, INC.****Address**630 - 401 THE WEST MALL
TORONTO ON
M9C 5J5 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**6-1710 DOUGLAS STREET
VICTORIA BC
V8W 2G7 Canada**THE VERY GOOD FOOD COMPANY
INC.****Address**941 ELLERY STREET
VICTORIA BC
V9A 4R9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2015	TOYOTA / 7FBEU18	28918

General Collateral**Base Registration General Collateral:**

MATERIAL HANDLING EQUIPMENT TOGETHER WITH ALL PARTS, ATTACHMENTS, ACCESSORIES, ADDITIONS, BATTERIES, CHARGERS, REPAIR PARTS, AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN WITH ANY PROCEEDS THEREOF AND THEREFROM INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT)

Original Registering Party**TOYOTA INDUSTRIES COMMERCIAL
FINANCE CANADA, INC.****Address**630 - 401 THE WEST MALL
TORONTO ON
M9C 5J5 Canada

HISTORY(Showing most recent first)

TOTAL DISCHARGE

Registration Date and Time: January 6, 2023 at 12:16:40 pm Pacific time
Registration Number: 287897P

Registering Party Information**PPSACANADA.COM****Address**

1136 CENTRE STREET, SUITE 185
THORNHILL ON
L4J 3M8 Canada

AMENDMENT

Registration Date and Time: February 26, 2021 at 6:45:46 am Pacific time
Registration Number: 794047M
Description: ADD DEBTOR

Debtor Information**THE VERY GOOD FOOD COMPANY
INC.**

ADDED

Address

941 ELLERY STREET
VICTORIA BC
V9A 4R9 Canada

Registering Party Information**TOYOTA INDUSTRIES
COMMERCIAL FINANCE CANADA,
INC.****Address**

630 - 401 THE WEST MALL
TORONTO ON
M9C 5J5 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 983949M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 20, 2021 at 12:29:40 pm Pacific time
Current Expiry Date and Time:	May 20, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**REISER (CANADA) CO.****Address**1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**THE VERY GOOD FOOD COMPANY
INC.****Address**2788 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada**Vehicle Collateral**

None



General Collateral

Base Registration General Collateral:

ONE VEMAG BC237 ON RCC-21-0187.4.R1 DATED APRIL 20 AND SIGNED MAY 20, 2021. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



Base Registration Number: 985902M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:13:27 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

THE VERY GOOD FOOD COMPANY INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada



Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 016668N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 3, 2021 at 1:43:47 pm Pacific time
Current Expiry Date and Time:	June 3, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**REISER (CANADA) CO.****Address**1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**THE VERY GOOD FOOD COMPANY
INC.****Address**2788 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**

ONE VEMAG HP-25E CONTINUOUS STUFFER, ONE VEMAG MMP223L CONTINUOUS SERVO PORTIONER, ONE P2P BELT, ONE VEMAG AML273 BALLFORMER AND LOADING SYSTEM - CUSTOM, ONE VEMAG LINK LOADER LL335, ONE WALDROP 2380/1250 TRAY FEEDING AND DENESTING SYSTEM (CUSTOM), ONE BUFFER CONVEYOR 6' X \ WIDE, ONE VEMAG FM250, ONE FM250 PP INTERLEAVER, ONE ,WALDROP 2380/1250 TRAY FEEDING AND DENESTING SYSTEM (CUSTOM), QTY OF 2 - AMFEC 2-3K2 COLUMN DUMPERS - TALL, AND ONE AMFEC PART POSITIONER. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party**REISER (CANADA) CO.****Address**

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 062450N

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: June 23, 2021 at 10:12:21 am Pacific time
Current Expiry Date and Time: June 23, 2024 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

MODERN FORKLIFT SERVICES LTD **Address**
 PO BOX 21043 MRSQ RPO
 MAPLE RIDGE BC
 V2X 1P7 Canada

Debtor Information

THE VERY GOOD FOOD COMPANY **Address**
 2768 RUPERT STREET
 VANCOUVER BC
 V5M 3T7 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)		CRWON RC 5545-40 END RIDE / -	1A428435

General Collateral

Base Registration General Collateral:
 CROWN FORKLIFT



Original Registering Party

MODERN FORKLIFT SERVICES LTD

Address

PO BOX 21043 MRSQ RPO
MAPLE RIDGE BC
V2X 1P7 Canada



Base Registration Number: 181728N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 17, 2021 at 9:41:56 am Pacific time
Current Expiry Date and Time:	August 17, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada

Debtor Information

**THE VERY GOOD FOOD COMPANY
INC.**

Address

2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada

**THE VERY GOOD FOOD COMPANY
INC.**

Address

2788 RUPERT STREET
VANCOUVER BC
V5M 4H4 Canada

Vehicle Collateral

None



General Collateral**Base Registration General Collateral:**

ONE VEMAG HP-20E CONTINUOUS STUFFER WITH BUILT-IN LOADER, INLET MODIFICATION (5\) AND IN-LINE GRINDER 982. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party**REISER (CANADA) CO.****Address**

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 383049N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 22, 2021 at 12:05:14 pm Pacific time
Current Expiry Date and Time:	November 22, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**ROYAL BANK OF CANADA****Address**36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**2748 RUPERT ST.
VANCOUVER BC
V5M 3T7 Canada**Vehicle Collateral**

None



General Collateral**Base Registration General Collateral:**

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

Original Registering Party**D + H LIMITED PARTNERSHIP****Address**

2 ROBERT SPECK PARKWAY, 15TH F
MISSISSAUGA ON
L4Z 1H8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 772897N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 2, 2022 at 2:35:46 pm Pacific time
Current Expiry Date and Time:	June 2, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:33:38 am Pacific time)

Secured Party Information**C.T. CONTROL TEMP LTD.****Address**4340 DAWSON STREET
BURNABY BC
V5C 4B6 Canada**Debtor Information****THE VERY GOOD FOOD COMPANY
INC.****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**THE VERY GOOD FOOD COMPANY
INC.****Address**2527 GOVERNMENT STREET
VICTORIA BC
V8T 4P6 Canada**Vehicle Collateral**

None

General Collateral

Base Registration General Collateral:

One (1) CO2 purity system with a serial number LMP2104027 and one (1) gas cooler with reference GGFW090.2A05/6JA-E355L/08P.M, including all present and future parts, accessories, attachments, additions and accessions thereto and substitutions therefor.

Proceeds: Goods, Securities, Instruments, Documents of Title, Chattel Paper, Intangibles, all as defined in the Personal Property Security Act of British Columbia and Regulations thereunder, derived directly or indirectly from any dealings with the original collateral.

Original Registering Party

DLA PIPER (CANADA) LLP

Address

SUITE 2800 PARK PLACE
666 BURRARD STREET
VANCOUVER BC
V6C 2Z7 Canada



This is Exhibit "J" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of a stylized, cursive 'B' followed by a flourish.



Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: The Very Good Food Company Inc.

Jurisdiction: Secretary of State, Delaware

Search Type: Federal Tax Lien

Results: No Records Found /See Attached Certified Search

Searched Through: 10/31/2022

Searched: 10 Years

Search Type: UCC Lien

Results: See Attached Certified Search with 1 Copy Attached

Searched Through: 10/31/2022

Searched: 5 Years

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings .

Delaware

Page 1

The First State

CERTIFICATE

SEARCHED NOVEMBER 29, 2022 AT 2:00 P.M.
FOR DEBTOR, THE VERY GOOD FOOD COMPANY INC.

1 OF 1 FINANCING STATEMENT 20214394301

DEBTOR: EXPIRATION DATE: 06/07/2026
THE VERY GOOD FOOD COMPANY INC.

2748 RUPTER STREET ADDED 06-07-21

VANCOUVER, BC CA V5M3T7

SECURED: WAYGAR CAPITAL INC., AS AGENT

25 KING STREET WEST, SUITE 1700 ADDED 06-07-21

TORONTO, ON CA M5L2A1

F I L I N G H I S T O R Y

20214394301 FILED 06-07-21 AT 10:30 A.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, THE VERY GOOD FOOD COMPANY INC. AS OF OCTOBER 31, 2022 AT 11:59 P.M.



[Handwritten Signature]
Jeffrey W. Bullock, Secretary of State

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; width: 90%; margin: auto; padding: 10px;"> <div style="border: 1px solid black; width: 100%; height: 100%;"></div> </div>

Delaware Department of State
 U.C.C. Filing Section
 Filed: 10:30 AM 06/07/2021
 U.C.C. Initial Filing No: 2021 4394301

 Service Request No: 20212368487

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME The Very Good Food Company Inc.				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 2748 Rupert Street				
CITY Vancouver		STATE BC	POSTAL CODE V5M 3T7	COUNTRY CAN

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS				
CITY		STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Waygar Capital Inc., as Agent				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 25 King Street West, Suite 1700				
CITY Toronto		STATE ON	POSTAL CODE M5L 2A1	COUNTRY CAN

4. COLLATERAL: This financing statement covers the following collateral:

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:
File with: Delaware - Secretary of State Matter No. 4355699



Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: The Very Good Food Company Inc.

Jurisdiction: Recorder of Deeds, Dist. of Columbia

Search Type: UCC Lien

Searched Through: 11/28/2022

Results: See Attached Listing of Records Found with 2 Copies Attached

Searched: 5 Years

Document Listing:

Presently on Record:

File #	File Date	Type of Filing	Party
2021076540	06/07/2021	Original Financing Statement	WAYGAR CAPITAL INC., AS AGENT

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

John Cunningham
 CT Corporation
 208 S. LaSalle Suite 814
 Chicago, IL 60604

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
The Very Good Food Company Inc.

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2748 Rupert Street Vancouver BC V5M 3T7 CAN

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Waygar Capital Inc., as Agent

OR

3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

25 King Street West, Suite 1700 Toronto ON M5L 2A1 CAN

4. COLLATERAL: This financing statement covers the following collateral:
All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufacture/Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessor/Lessor Consignee/Consignor Seller/Buyer Bailor/Bailor Licensee/Licensee

8. OPTIONAL FILER REFERENCE DATA:
File with: Dist. of Columbia - Recorder of Deeds Matter No. 4355699

Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: The Very Good Food Company Inc.

Jurisdiction: Secretary of State, California

Search Type: Federal Tax Lien	Searched Through: 11/18/2022
Results: No Records Found	Searched: 10 Years
Search Type: State Tax Lien	Searched Through: 11/18/2022
Results: No Records Found	Searched: 10 Years
Search Type: Judgment Lien	Searched Through: 11/18/2022
Results: No Records Found	Searched: 5 Years
Search Type: UCC Lien	Searched Through: 11/18/2022
Results: See Attached Listing of Records Found with 1 Copy Attached	Searched: 5 Years

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings.



CT Lien Solutions
UCC Search Report

The following represents a listing of the documentation you requested through a careful search of effective UCC filings recorded in the Office of the Secretary of State CA, Secretary of State licensed from the State of an independent third party and maintained in a computerized form and available through our offices. Variations of the Name and Address of the search key may appear on this report as a result of the search findings and your individual request for that information.

This report reflects record effective through Nov.18, 2022.

Because we cannot independently verify the accuracy of the public information maintained by the responsible government agency or other sources of this data, we make no guaranties, representations or warranties as to the accuracy or completeness of this report. We cannot and do not accept any liability for errors or omissions.

State of CA, Secretary of State, Secretary of State UCC Debtor Name Search results performed on following

Search Key :

Name = The Very Good Food Company Inc.

1. U210053995124 ORIGINAL filed on Jun. 07, 2021
expires on Jun. 07, 2026

Debtor

THE VERY GOOD FOOD COMPANY INC.
2748 RUPERT STREET VANCOUVER BC V5M 3T7

SecuredParty

WAYGAR CAPITAL INC., AS AGENT
25 KING STREET WEST, SUITE 1700

[End of Report]



For Office Use Only

-FILED-

File #: U210053995124

Date Filed: 6/7/2021

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)
 C T CORPORATION
 555 CAPITOL MALL, SUITE 1150
 SACRAMENTO, CA 95814
 80841343/6
 ACCOUNT 00051

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 1D of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
The Very Good Food Company Inc.

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 2748 Rupert Street	CITY Vancouver	STATE BC	POSTAL CODE V5M 3T7
		COUNTRY CAN	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 2D of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
		COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Waygar Capital Inc., as Agent

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 25 King Street West, Suite 1700	CITY Toronto	STATE ON	POSTAL CODE MSL 2A1
		COUNTRY CAN	

4. COLLATERAL: This financing statement covers the following collateral:

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box. Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Loan Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessor/Lessee Consignor/Consignee Seller/Buyer Bailor/Bailee Licensee/Licensee

8. OPTIONAL FILER REFERENCE DATA
File with: California - Secretary of State Matter No. 4355699

B0400-1199 06/07/2021 5:00 PM Received by California Secretary of State

This is Exhibit "K" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of a stylized, cursive 'B' followed by a long, sweeping horizontal stroke that ends in a small hook.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1218158 B.C. LTD."

Search Date and Time: January 11, 2023 at 9:36:38 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>985892M</u>	May 21, 2021	* 1218158 B.C. LTD. * 1218158 BC LTD	<u>2</u>



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 985892M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:12:38 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:36:38 am Pacific time)

Secured Party Information**WAYGAR CAPITAL INC., AS AGENT****Address**1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada**Debtor Information****1218158 B.C. LTD.****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**1218158 BC LTD****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**Vehicle Collateral**

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1218169 B.C. LTD."

Search Date and Time: January 11, 2023 at 9:35:16 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>985900M</u>	May 21, 2021	* 1218169 B.C. LTD. * 1218169 BC LTD	2



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 985900M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:13:05 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:35:16 am Pacific time)

Secured Party Information**WAYGAR CAPITAL INC., AS AGENT****Address**1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada**Debtor Information****1218169 B.C. LTD.****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**1218169 BC LTD****Address**2748 RUPERT STREET
VANCOUVER BC
V5M 3T7 Canada**Vehicle Collateral**

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "THE CULTURED NUT INC."

Search Date and Time: January 11, 2023 at 9:38:07 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

5 Matches in 2 Registrations in Report

Exact Matches: 5 (*)

Total Search Report Pages: 7

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>585129M</u>	November 10, 2020	* THE CULTURED NUT INC * THE CULTURED NUT INC * THE CULTURED NUT INC	<u>2</u>
2	<u>985834M</u>	May 21, 2021	* THE CULTURED NUT INC * THE CULTURED NUT INC.	<u>6</u>



Base Registration Number: 585129M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 10, 2020 at 7:25:23 am Pacific time
Current Expiry Date and Time:	November 10, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:38:07 am Pacific time)

Secured Party Information

**BODKIN, A DIVISION OF
BENNINGTON FINANCIAL CORP.**

Address

102-1465 NORTH SERVICE RD E
OAKVILLE ON
L6H 1A7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULTBC Registries and Online Services

Debtor Information**DARBY, JANET MARIE****Address**282 PALLISIER AVE
VICTORIA BC
V9B 1C4 Canada**Birthdate**February 1, 1961

THE CULTURED NUT INC**Address**201 - 19 DALLAS ROAD
VICTORIA BC
V8V 5A6 Canada

DARBY, JANET**Address**282 PALLISIER AVE
VICTORIA BC
V9B 1C4 Canada**Birthdate**February 1, 1961

THE CULTURED NUT INC**Address**776 FAIRVIEW RD, UNIT 6
ESQUIMALT BC
V9A 5V1 Canada

THE CULTURED NUT INC**Address**282 PALLISIER AVE
VICTORIA BC
V9B 1C4 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

PURSUANT TO LEASE AGREEMENT 50011880, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50011880 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH ,COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE ,TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 1343 IRINOX 1343 / ICY SMALL - SMALL BLAST CHILLER/SHOCK FREEZER

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: November 10, 2020 at 11:47:09 am Pacific time
Registration Number: 585895M
Description: AMEND DEBTOR FROM: THE CULTURED NUT INC 776 FAIRVIEW RD ESQUIMALT, BC, V9A5V1 TO: THE CULTURED NUT INC 776 FAIRVIEW RD, UNIT 6 ESQUIMALT, BC, V9A5V1 ADD DEBTOR: THE CULTURED NUT INC (282 PALLISIER AVE)

Debtor Information

THE CULTURED NUT INC

ADDRESS CHANGED

Address776 FAIRVIEW RD, UNIT 6
ESQUIMALT BC
V9A 5V1 Canada**THE CULTURED NUT INC**

ADDED

Address282 PALLISIER AVE
VICTORIA BC
V9B 1C4 Canada

Registering Party Information

AVS SYSTEMS INC.**Address**201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 985834M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:07:29 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:38:07 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

THE CULTURED NUT INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

THE CULTURED NUT INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

**Vehicle Collateral**

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "The Very Good Butchers Inc."

Search Date and Time: January 11, 2023 at 11:34:48 am Pacific time
Account Name: MLT AIKINS LLP
Folio Number: 160151.1

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>985838M</u>	May 21, 2021	* THE VERY GOOD BUTCHERS INC * THE VERY GOOD BUTCHERS INC.	2



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 985838M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:07:56 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 11, 2023 at 11:34:48 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

THE VERY GOOD BUTCHERS INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

THE VERY GOOD BUTCHERS INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

**Vehicle Collateral**

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "LLOYD-JAMES MARKETING GROUP INC."

Search Date and Time: January 11, 2023 at 9:38:59 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 2 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>985824M</u>	May 21, 2021	* LLOYD JAMES MARKETING GROUP INC * LLOYD-JAMES MARKETING GROUP INC.	<u>2</u>



Base Registration Number: 985824M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:06:59 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:38:59 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

LLOYD-JAMES MARKETING GROUP INC.	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

LLOYD JAMES MARKETING GROUP INC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None



General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



Business Debtor - "VGFC HOLDINGS LLC"

Search Date and Time: January 11, 2023 at 9:39:51 am Pacific time
Account Name: Not available.
Folio Number: 118-162456-AC1354

TABLE OF CONTENTS

2 Matches in 2 Registrations in Report

Exact Matches: 2 (*)

Total Search Report Pages: 5

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>985819M</u>	May 21, 2021	* VGFC HOLDINGS LLC	<u>2</u>
2	<u>421802N</u>	December 10, 2021	* VGFC HOLDINGS LLC	<u>4</u>



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 985819M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 21, 2021 at 7:06:33 am Pacific time
Current Expiry Date and Time:	May 21, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:39:51 am Pacific time)

Secured Party Information

WAYGAR CAPITAL INC., AS AGENT	Address
	1700-25 KING STREET WEST TORONTO ON M5L 2A1 Canada

Debtor Information

VGFC HOLDINGS LLC	Address
	2748 RUPERT STREET VANCOUVER BC V5M 3T7 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

WAYGAR CAPITAL INC., AS AGENT

Address

1700-25 KING STREET WEST
TORONTO ON
M5L 2A1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 421802N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 10, 2021 at 12:42:17 pm Pacific time
Current Expiry Date and Time:	December 10, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 11, 2023 at 9:39:51 am Pacific time)

Secured Party Information**REISER (CANADA) CO.****Address**1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada**Debtor Information****VGFC HOLDINGS LLC****Address**220 S. FIRST STREET
PATTERSON CA
95363 United States of America**Vehicle Collateral**

None



General Collateral

Base Registration General Collateral:

ONE VEMAG HP-20E CONTINUOUS STUFFER, ONE VEMAG MMP223 SERVO POSITIONER, ONE 230 LITRE HOPPER FOR VEMAG V500, 1 SHEETER FOR RIBS. ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND ,IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND INCLUDING ALL PROCEEDS THEREOF.

Original Registering Party

REISER (CANADA) CO.

Address

1549 YORKTON COURT, UNIT 4
BURLINGTON ON
L7P 5B7 Canada



This is Exhibit "L" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, appearing to be the initials 'GJ' with a flourish.

Search Results

SHANNON MORRIS
Aird & Berlis, LLP
181 Bay Street, BCE Place
Suite 1800
Toronto, ON M5J 2-9

Date: 12/01/2022
Order #: 90106324
Customer #: 505545
Reference 1: 162456-AC1354
Reference 2: --

Target Name: VGFC Holdings LLC

Jurisdiction: Secretary of State, Delaware

Search Type: Federal Tax Lien

Results: No Records Found /See Attached Certified Search

Searched Through: 10/31/2022

Searched: 10 Years

Search Type: UCC Lien

Results: See Attached Certified Search with 7 Copies Attached

Searched Through: 10/31/2022

Searched: 5 Years

ERIN ROBERSON
UCC Team 6
4400 Easton Commons Way
Suite 125
Columbus, OH 43219
6142803548
erin.roberson@wolterskluwer.com

This report contains information compiled from sources which CT Corporation considers reliable but does not control. The information provided is not a certified record of the applicable jurisdiction unless otherwise indicated. CT Corporation does not (i) warrant or guarantee the accuracy, completion or timeliness of the information provided or (ii) accept any liability for delays, errors or omissions in the information provided. CT Corporation is not an insurer with regard to this information or these services. Under no circumstances shall CT Corporation be liable for any loss of underlying collateral or loss (or decreased priority) of security interest in connection with this information or these services. Any categorization of search results is provided for convenience only and is not to be construed as a legal opinion concerning the status of filings.



Delaware

The First State

CERTIFICATE

SEARCHED NOVEMBER 29, 2022 AT 2:00 P.M.
FOR DEBTOR, VGFC HOLDINGS LLC

1 OF 7 FINANCING STATEMENT 20214017910

DEBTOR: EXPIRATION DATE: 05/24/2026
VGFC HOLDINGS LLC

220 S FIRST ST ADDED 05-24-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER & CO., INC.

725 DEDHAM STREET ADDED 05-24-21

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214017910 FILED 05-24-21 AT 2:01 P.M. FINANCING STATEMENT

2 OF 7 FINANCING STATEMENT 20214233368

DEBTOR: EXPIRATION DATE: 06/01/2026
VGFC HOLDINGS LLC

220 S FIRST ST ADDED 06-01-21

PATTERSON, CA US 95363



Delaware

The First State

Page 2

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET

ADDED 06-01-21

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214233368 FILED 06-01-21 AT 2:03 P.M. FINANCING STATEMENT

3 OF 7

FINANCING STATEMENT

20214233939

EXPIRATION DATE: 06/01/2026

DEBTOR: VGFC HOLDINGS LLC

220 S FIRST ST

ADDED 06-01-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER AND COMPANY

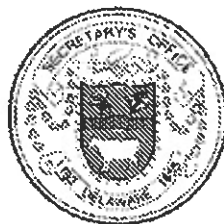
725 DEDHAM STREET

ADDED 06-01-21

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214233939 FILED 06-01-21 AT 2:18 P.M. FINANCING STATEMENT



[Handwritten signature]

[Handwritten signature]

Jeffrey W. Bullock, Secretary of State

20239582410-UCC11
SR# 20224123538

Authentication: 204956962
Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

Delaware

Page 3

The First State

4 OF 7

FINANCING STATEMENT

20214394004

EXPIRATION DATE: 06/07/2026
 DEBTOR: VGFC HOLDINGS LLC

2748 RUPERT STREET

ADDED 06-07-21

VANCOUVER, BC CA V5M3T7

SECURED: WAYGAR CAPITAL INC., AS AGENT

25 KING STREET WEST, SUITE 1700

ADDED 06-07-21

TORONTO, ON CA M5L2A1

F I L I N G H I S T O R Y

20214394004 FILED 06-07-21 AT 10:22 A.M. FINANCING STATEMENT

5 OF 7

FINANCING STATEMENT

20214526761

EXPIRATION DATE: 06/10/2026
 DEBTOR: VGFC HOLDINGS LLC

220 S FIRST ST

ADDED 06-10-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET

ADDED 06-10-21



20239582410-UCC11
 SR# 20224123538

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 204956962

Date: 11-29-22

[Handwritten signature]
 Jeffrey W. Rullock, Secretary of State

Delaware

The First State

CANTON, MA US 02021

F I L I N G H I S T O R Y

20214526761 FILED 06-10-21 AT 2:18 P.M. FINANCING STATEMENT

6 OF 7 FINANCING STATEMENT 20214529138

EXPIRATION DATE: 06/10/2026

DEBTOR: VGFC HOLDINGS LLC

220 S FIRST ST ADDED 06-10-21

PATTERSON, CA US 95363

SECURED: ROBERT REISER AND COMPANY

725 DEDHAM STREET ADDED 06-10-21

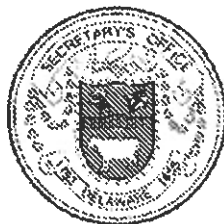
CANTON, MA US 02021

F I L I N G H I S T O R Y

20214529138 FILED 06-10-21 AT 3:11 P.M. FINANCING STATEMENT

7 OF 7 FINANCING STATEMENT 20217163224

EXPIRATION DATE: 09/09/2026



[Handwritten Signature]
Jeffrey W. Bolkack, Secretary of State

20239582410-UCC11
SR# 20224123538

Authentication: 204956962
Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

Delaware

Page 5

The First State

DEBTOR: VGFC HOLDINGS LLC
 220 S FIRST ST
 PATTERSON, CA US 95363
 ADDED 09-09-21

SECURED: ROBERT REISER AND COMPANY
 725 DEDHAM STREET
 CANTON, MA US 02021
 ADDED 09-09-21

F I L I N G H I S T O R Y

20217163224 FILED 09-09-21 AT 1:34 P.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, VGFC HOLDINGS LLC AS OF OCTOBER 31, 2022 AT 11:59 P.M.



Jeffrey W. Reiser, Secretary of State

20239582410-UCC11
 SR# 20224123538

Authentication: 204956962

Date: 11-29-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional): LIEN SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional): UCCFILINGRETURN@WOLTERSKLUMER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US

Delaware Department of State
U.C.C. Filing Section
Filed: 02:01 PM 05/24/2021
U.C.C. Initial Filing No: 2021 4017910

Service Request No: 20212026068

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC					
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 220 S FIRST ST		CITY BATTERSON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER & CO., INC.					
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 725 DEDHAM STREET		CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:
One SEYDEIMANN Model K-60 AC-8 Cutter

5. Check only if applicable and check only one box. Collateral is held in a Trust (see UCC1Ad, Item 17 and instructions) being administered by a Debtor's Personal Representative

6a. Check only if applicable and check only one box:
 Public Finance Transaction Manufactured Home Transaction A Debtor is a Transferring Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessor/Lessee Consignee/Consignor Seller/Buyer Bailor/Bailee Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

DE-0-80637190-61396696

International Association of Commercial Administrators

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional): LIEN SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional): UCCFILINGRETURN@WOLTERSKLUNER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US

Delaware Department of State
U.C.C. Filing Section
Filed: 02:03 PM 06/01/2021
U.C.C. Initial Filing No: 2021 4233368

Service Request No: 20212295418

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC				
OR	1b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 220 S FIRST ST	CITY EATERTON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY):** Provide only one Secured Party name (3a or 3b):

3a. ORGANIZATION'S NAME ROBERT KEISER AND COMPANY				
OR	3b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 725 DEBHAM STREET	CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. **COLLATERAL:** This financing statement covers the following collateral:
AMTEC 510 Mixer Blender

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ac, item 17 and instructions); being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Financial Transaction Manufactured-Home Transaction A Debtor is a Transferring Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. **OPTIONAL FILER REFERENCE DATA:**
DE-0-80759958-61453035

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional): LITEM SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional): UCCFILINGRETURN@WOLTERSKLUNER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US

Delaware Department of State
U.C.C. Filing Section
Filed: 02:18 PM 06/01/2021
U.C.C. Initial Filing No: 2021 4233939

Service Request No: 20212296421

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name), if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 220 S FIRST ST		CITY PATERSON	STATE CA	POSTAL CODE 95363
				COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name), if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER AND COMPANY				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 725 DEBHAM STREET		CITY CANTON	STATE MA	POSTAL CODE 02021
				COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:
One VEMAG Model 500 Continuous Stuffer

5. Check only if applicable and check only one box. Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public Finance Transaction Manufactured Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessor/Lessee Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

DE-0-80760222-61453208

International Association of Commercial Administrators

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Delaware Department of State
 U.C.C. Filing Section
 Filed: 10:22 AM 06/07/2021
 U.C.C. Initial Filing No: 2021 4394004
 Service Request No: 20212368366

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC Holdings LLC	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 1b. INDIVIDUAL'S SURNAME			
1c. MAILING ADDRESS 2748 Rupert Street	CITY Vancouver	STATE BC	POSTAL CODE V5M 3T7
			COUNTRY CAN

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 2b. INDIVIDUAL'S SURNAME			
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
			COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Waygar Capital Inc., as Agent	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
OR 3b. INDIVIDUAL'S SURNAME			
3c. MAILING ADDRESS 25 King Street West, Suite 1700	CITY Toronto	STATE ON	POSTAL CODE M5L 2A1
			COUNTRY CAN

4. COLLATERAL: This financing statement covers the following collateral.

All right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

File with: Delaware - Secretary of State Matter No. 4355699

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIEM SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@COLTERSKLUMER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US

Delaware Department of State
 U.C.C. Filing Section
 Filed: 02:18 PM 06/10/2021
 U.C.C. Initial Filing No: 2021 4526761
 Service Request No: 20212413983

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC	OR			
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 220 S FIRST ST	CITY BATTERSON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME	OR			
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME (or NAME OF ASSIGNEE or ASSIGNOR SECURED PARTY):** Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER AND COMPANY	OR			
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 725 DEBHAM STREET	CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. **COLLATERAL:** This financing statement covers the following collateral:
 One SEYDELMANN Model K60 AC-8 Cutter

5. Check only if applicable and check only one box. Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public Finance Transaction Manufactured-Home Transaction A Debtor is a Transferring Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
 DE-0-80918111-61521010

International Association of Commercial Administrators

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIEN SOLUTIONS 800-331-3282	
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@WOLTERSCLUMER.COM	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
P.O. BOX 29071]
GLENDALE, CA 91209-9071	
US	
]	

Delaware Department of State
U.C.C. Filing Section
Filed: 03:11 PM 06/10/2021
U.C.C. Initial Filing No: 2021 4529138

Service Request No: 20212415161

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC				
OR	1b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 220 S FIRST ST				
	CITY HATTESON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS				
	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER AND COMPANY				
OR	3b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 725 DEDHAM STREET				
	CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:
One AMPEC 510 Mixer Blender

5. Check only if applicable and check only one box. Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Debtor's Personal Representative

6a. Check only if applicable and check only one box:

6b. Check only if applicable and check only one box:

Public-Financial Transaction Manufactured-Home Transaction A Debtor is a Transferring Utility Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailor/Bailee Licensee/Licensee

8. OPTIONAL FILER REFERENCE DATA:

DE-0-80919769-61521735

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) LIXEN SOLUTIONS 800-331-3282
B. E-MAIL CONTACT AT FILER (optional) UCCFILINGRETURN@MOLTERSFLUNER.COM
C. SEND ACKNOWLEDGMENT TO: (Name and Address) P.O. BOX 29071 GLENDALE, CA 91209-9071 US

Delaware Department of State
U.C.C. Filing Section
Filed: 01:34 PM 09/09/2021
U.C.C. Initial Filing No: 2021 7163224

Service Request No: 20213202622

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME VGFC HOLDINGS LLC				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 220 S FIRST ST	CITY BARTERSON	STATE CA	POSTAL CODE 95363	COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE or ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME ROBERT REISER AND COMPANY				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 725 DEBHAM STREET	CITY CANTON	STATE MA	POSTAL CODE 02021	COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:
One AMFEC 510 Mixer Blender

5. Check only if applicable and check only one box. Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Financial Transaction Manufactured Home Transaction A Debtor is a Transferring Utility Agricultural Lien Non-UCC Filing

6b. Check only if applicable and check only one box:
7. ALTERNATIVE DESIGNATION (if applicable) Lessor/Lessee Consignor/Consignee Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

DE-0-82354101-62137356

International Association of Commercial Administrators

This is Exhibit "M" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines, located in the lower right quadrant of the page.

WAYGARCAPITAL

November 29, 2022

The Very Good Food Company Inc.
2748 Rupert Street
Vancouver, BC V5M 3T7

Attention: Chief Financial Officer

Dear Sirs:

Re: Loan Agreement dated June 7, 2021 among Waygar Capital Inc., agent for Ninepoint Canadian Senior Debt Master Fund L.P., as lender (the "Lender"), The Very Good Food Company Inc. as borrower (the "Borrower") and 1218169 B.C. Ltd., 1218158 B.C. Ltd., The Very Good Butchers Inc., The Cultured Nut Inc., Lloyd-James Marketing Inc., and VGFC Holdings LLC (collectively as the "Guarantors" and together with the Borrower, the "Credit Parties"), as amended by a First Amendment to Loan Agreement dated July 6, 2022 (as the same may have been further amended, restated, supplemented or replaced from time to time, the "Loan Agreement")

Reference is made to the Loan Agreement, and capitalized terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreement.

We write to confirm that the Borrower is in breach of the terms of the Loan Agreement by i) failing to submit the Projection used to determine compliance with the financial covenants as required pursuant to Section 4.1 (c) (Reports and Information) of the Loan Agreement for the Credit Parties' third quarter reporting and ii) failing to maintain the required Cash Coverage Ratio of not less than 2.50:1.00 required pursuant to Section 5.1 (b) of the Loan Agreement for the Credit Parties' third quarter reporting (collectively, the "Existing Defaults").

The Existing Defaults constitute Events of Default under the Loan Agreement. As a result of the Existing Defaults, the Lender has the right to pursue its rights and remedies against the Credit Parties, including, without limitation, to enforce its rights against the Security granted in favour of the Lender.

Notwithstanding the foregoing, the Lender has chosen not to enforce its rights and remedies as a result of the Existing Defaults, at this time. Please be advised that the decision to not to enforce the Lender's rights and remedies at this time shall in no way constitute a waiver of the Existing Defaults or any additional or subsequent Events of Default under the Loan Agreement or otherwise. The Lender hereby expressly reserves any and all of its rights and remedies under the Loan Agreement and related security and any and all documents and agreements ancillary thereto.



Should you have any questions with respect to the foregoing, please feel free to contact the undersigned.

Yours Truly,

**Waygar Capital Inc., as Agent for
Ninepoint Canadian Senior Debt Master Fund L.P.**

Per: 

Name: James Bruce

Title: Vice President

51235773 1



This is Exhibit "N" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 12th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of several loops and a final downward stroke, located in the lower right quadrant of the page.

AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

The Very Good Food Company Inc.
800 - 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Indebtedness of The Very Good Food Company Inc. (the "Debtor") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar"), as guaranteed by each of 1218169 B.C. Ltd., 1218158 B.C. Ltd., The Very Good Butchers Inc., The Cultured Nut Inc., Lloyd-James Marketing Group Inc. and VGFC Holdings LLC

We are the lawyers for Waygar in connection with its lending arrangements with the Debtor.

The Debtor is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

All Credit Facilities are due on demand.

Certain Events of Default have occurred under the Credit Agreement, including, without limitation a breach of the Cash Coverage Ratio required to be maintained, and the amount borrowed thereunder exceeding the amount permitted by the Borrowing Base calculation. Accordingly, on

behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68**, together with accruing interest and any and all costs and expenses (including, without limitation, any additional legal and other professional fees) incurred by Waygar (collectively, the "**Indebtedness**"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Credit Agreement and any other agreement, as applicable.

The Indebtedness and other obligations of the Debtor under the Credit Agreement are secured by, *inter alia*, a general security agreement granted by the Debtor dated June 7, 2021, which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings.

In addition, Waygar reserves the right to increase the interest rate payable under the Credit Agreement by 5%, pursuant to the terms thereof, retroactive to the date of the occurrence of the Events of Default.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, the commencement of legal proceedings against you in the Ontario Superior Court of Justice, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we also enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: Rachel Silber, Aird & Berlis LLP
Client



AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))
 Delivered By Email

TO: **The Very Good Food Company Inc.**
 800 - 885 West Georgia Street
 Vancouver, BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (“**Waygar**”), a secured creditor, intends to enforce its security on the property, assets and undertakings of The Very Good Food Company Inc. (the “**Debtor**”), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the “**Security**”), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor’s property, assets and undertakings.
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar’s legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT
 MASTER FUND L.P.**
 by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515



Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

51663961.3

AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

1218158 B.C. Ltd.
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear **Ms. Salem and Mr. Patel:**

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

1218158 B.C. Ltd. ("**158**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of 158 under the Guarantee are secured by, *inter alia*, a general security agreement granted by 158 dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of 158's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of 158, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client



AIRD BERLIS

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))**

Delivered By Email

TO: **1218158 B.C. Ltd.**
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 1218158 B.C. Ltd. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
181 Bay Street, Box 754
Toronto, ON M5J 2T9
Tel: 416-863-1500
Fax: 416-863-1515



Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

1218169 B.C. Ltd.
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

1218169 B.C. Ltd. ("**169**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of 169 under the Guarantee are secured by, *inter alia*, a general security agreement granted by 169 dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of 169's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of 169, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client



AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: **1218169 B.C. Ltd.**
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 1218169 B.C. Ltd. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

The Cultured Nut Inc.
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

The Cultured Nut Inc. ("**CNI**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of CNI under the Guarantee are secured by, *inter alia*, a general security agreement granted by CNI dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of CNI's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of CNI, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: *Rachel Silber, Aird & Berlis LLP*
Client



AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: **The Cultured Nut Inc.**
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of The Cultured Nut Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
181 Bay Street, Box 754
Toronto, ON M5J 2T9
Tel: 416-863-1500
Fax: 416-863-1515



Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: a.collins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

The Very Good Butchers Inc.
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

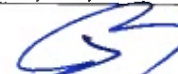
We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

The Very Good Butchers Inc. ("**VGB**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68



Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of VGB under the Guarantee are secured by, *inter alia*, a general security agreement granted by VGB dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of VGB's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of VGB, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: Rachel Silber, *Aird & Berlis LLP*
Client



AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Email

TO: The Very Good Butchers Inc.
 800 - 885 West Georgia Street
 Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of The Very Good Butchers Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
 NINEPOINT CANADIAN SENIOR DEBT MASTER
 FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500
 Fax: 416-863-1515



Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

AIRD BERLIS

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

Lloyd-James Marketing Group Inc.
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

Lloyd-James Marketing Group Inc. ("**Marketing**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of Marketing under the Guarantee are secured by, *inter alia*, a general security agreement granted by Marketing dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of Marketing's property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of Marketing, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: Rachel Silber, Aird & Berlis LLP
Client



AIRD BERLIS

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))**

Delivered By Email

TO: **Lloyd-James Marketing Group Inc.**
800 - 885 West Georgia Street
Vancouver BC V6C 3H1

insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Lloyd-James Marketing Group Inc. (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
181 Bay Street, Box 754
Toronto, ON M5J 2T9
Tel: 416-863-1500
Fax: 416-863-1515



Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

AIRD BERLIS

Exhibit "N7"

Aaron Collins
Direct: 416.865.3412
E-mail: acollins@airdberlis.com

January 6, 2023

DELIVERED BY EMAIL

VGFC Holdings LLC
2748 Rupert Street
Vancouver, BC V5M 3T7

Attention: Ms. Dela Salem and Mr. Pratik Patel

Dear Ms. Salem and Mr. Patel:

RE: Your Guarantee of the Obligations of The Very Good Food Company Inc. (the "Borrower") to Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (in such capacity, "Waygar")

We are the lawyers for Waygar in connection with its lending arrangements with the Borrower.

The Borrower is indebted to Waygar with respect to certain loans (collectively, the "**Credit Facilities**") made available by Waygar to the Debtor pursuant to and under the terms of a loan agreement between Waygar and the Debtor dated June 7, 2021 (as amended, replaced, restated or supplemented from time to time, the "**Credit Agreement**").

VGFC Holdings LLC ("**Holdings**") guaranteed the obligations of the Borrower to Waygar pursuant to an unlimited guarantee dated June 7, 2021 (the "**Guarantee**"), together with interest thereon at the rates established by the Credit Agreement per annum from the date of demand for payment. Your obligations under the Guarantee are payable on demand. Events of default have occurred under the Credit Agreement and Waygar has made formal demand for repayment of the amounts owed by the Debtor under the Credit Agreement.

The following amounts are owing to Waygar for principal, interest and fees pursuant to the Credit Facilities, plus costs and expenses, pursuant to the Credit Agreement as of January 6, 2023:

The Very Good Food Company Inc.	Indebtedness
Revolver Facility	
Principal and Interest	\$4,359,042.79
Term Facility	
Principal and Interest	\$3,001,057.56
Facility Fees	\$735,105.00
Professional Fees (Legal) to date:	\$17,798.33
Total	\$8,113,003.68

Without prejudice to any further remedies or rights, on behalf of Waygar, we hereby make formal demand for payment of **\$8,113,003.68** as at January 6, 2023, together with accruing interest and any and all costs and expenses (including, without limitation, legal and other professional fees) incurred by Waygar (collectively, the "**Guaranteed Indebtedness**"). Interest continues to accrue on the Guaranteed Indebtedness at the rates established by the Credit Agreement, the Guarantee and any other agreement, as applicable.

The Guaranteed Indebtedness and the obligations of Holdings under the Guarantee are secured by, *inter alia*, a general security agreement granted by Holdings dated June 7, 2023, which grants Waygar, amongst other things, a security interest in any of and all of Holdings' property, assets and undertakings.

If payment of the Indebtedness is not received, Waygar shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, steps to appoint an interim receiver, receiver or receiver and/or manager of Holdings, in which case Waygar will also be seeking all costs incurred in so doing.

On behalf of Waygar, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). We also enclose a waiver of the ten (10) day period set out in the BIA Notice. We ask that you please execute and return that waiver to the undersigned as soon as possible.

Waygar hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Aaron Collins

AC/jm
Encl.

cc: Rachel Silber, Aird & Berlis LLP
Client



AIRD BERLIS

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))**

Delivered By Email

TO: VGFC Holdings LLC
2748 Rupert Street
Vancouver, BC V5M 3T7
insolvent company / person

TAKE NOTICE that:

1. Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of VGFC Holdings LLC (the "**Debtor**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Debtor.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Debtor and Waygar dated June 7, 2021 (the "**Security**"), which grants Waygar, amongst other things, a security interest in any of and all of the Debtor's property, assets and undertakings
3. As at January 6, 2023, the total amount of the indebtedness secured by the Security is the sum of **\$8,113,003.68** in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees).
4. Waygar will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 6th day of January, 2023.

**WAYGAR CAPITAL INC., AS AGENT FOR
NINEPOINT CANADIAN SENIOR DEBT MASTER
FUND L.P.**

by its lawyers, **Aird & Berlis LLP**

Per:



Aaron Collins

Brookfield Place, Suite 1800
181 Bay Street, Box 754
Toronto, ON M5J 2T9
Tel: 416-863-1500
Fax: 416-863-1515



Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the Bankruptcy and Insolvency Act apply to the enforcement of this security.

This is Exhibit "O" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



Exhibit "O1"

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

THE VERY GOOD FOOD COMPANY INC.

By: Pratik Patel
Name: Pratik Patel
Title: CFO



WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Notice**").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

1218158 B.C. LTD.

By: Pratik Patel
Name: Pratik Patel
Title: CFO



WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

1218169 B.C. LTD.

By: Pratik Patel
Name: Pratik Patel
Title: CFO



WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 09 day of January, 2023.

THE CULTURED NUT INC.

By: Pratik Patel
Name: Pratik Patel
Title: CFO



Exhibit "O5"

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

THE VERY GOOD BUTCHERS INC.

By: Pratik Patel

Name: Pratik Patel
Title: CFO



Exhibit "O6"

WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

**LLOYD-JAMES MARKETING GROUP
INC.**

By: Pratik Patel
Name: Pratik Patel
Title: CFO



WAIVER AND CONSENT

TO: Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. (the "Secured Creditor")

AND TO: its solicitors, AIRD & BERLIS LLP ("A&B")

WHEREAS the undersigned is in receipt of a demand letter from A&B in respect of the outstanding debts, liabilities and obligations owing by the undersigned to the Secured Creditor, together with a Notice of Intention to Enforce Security issued pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "Notice").

THE UNDERSIGNED hereby acknowledges, confirms and agrees to and in favour of the Secured Creditor, that it is in default of its obligations owing to the Secured Creditor and has received the Notice prior to the execution hereof and hereby formally, expressly, voluntarily and unconditionally waives the ten day notice period referred to in the Notice and consents to the immediate enforcement of any and all of the security executed and delivered by the undersigned to and in favour of the Secured Creditor, without further notice.

DATED this 9th day of January, 2023.

VGFC HOLDINGS LLC

By: Pratik Patel

Name: Pratik Patel

Title: CFO



This is Exhibit "P" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits

A handwritten signature in blue ink, consisting of a stylized, cursive 'S' shape with a horizontal line extending to the right.

The Very Good Food Company Announces Receipt of Notice of Default, Update on Reef Capital Transaction, Receipt of Non-Compliance and Decision Letters from Nasdaq and Board Resignations

Vancouver, British Columbia--(Newsfile Corp. - January 11, 2023) - The Very Good Food Company Inc. (NASDAQ: VGFC) (TSXV: VERY) (FSE: OSI) ("**VERY GOOD**" or the "**Company**") announces that **the Company's secured lender intends to apply for the appointment of a receiver for the Company.**

Notice of Default

On January 6, 2023, the Company has received a letter from Waygar Capital Inc., as agent for Ninepoint Canadian Senior Debt Master Fund L.P. ("**Waygar**") pursuant to which Waygar has alleged that certain events of default have occurred under the loan agreement between Waygar and the Company dated June 7, 2021 (the "**Credit Agreement**"), including, without limitation a breach of the Cash Coverage Ratio required to be maintained, and the amount borrowed thereunder exceeding the amount permitted by the Borrowing Base calculation (as defined in the Credit Agreement) (see press release on November 30, 2022) and Waygar has requested full payment of the amount owed under the Credit Agreement, being \$8,113,003.68 in principal and interest, plus accruing interest and recovery costs of Waygar (including, without limitation, Waygar's legal and other professional fees). Further, Waygar has delivered a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). Waygar has reserved its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Update regarding Reef Capital Transaction

The Company was not able to close the proposed transaction with Reef Capital Inc., first announced on December 22, 2022. As previously disclosed, without securing alternative financing by December 31, 2022, the Company would not be able to continue as a going concern.

Nasdaq Non-Compliance Letter

We have received a notification letter (the "**Meeting Notification**") from The Nasdaq Stock Market LLC ("**Nasdaq**") on January 5, 2023, that the Company no longer satisfies Nasdaq Listing Rule 5620(a) because it failed to hold its annual shareholders meeting within twelve months of the Company's fiscal year ended December 31, 2021. However, we will be holding our next annual general meeting on February 27, 2023.

The Notifications has no immediate effect on the listing of the common shares of the Company, which will continue to trade on the Nasdaq Capital Market under the symbol "VGFC".

Nasdaq Qualification Hearing Decision

Background

On January 11, 2022, Nasdaq notified the Company that it no longer complied with the minimum bid price requirement under Listing Rule 5450(a)(1). On November 15, 2022, Staff notified the Company that it had determined to delist the Company as its security had a closing bid price of \$0.10 or less for at least ten consecutive trading days and informed the



Company that, unless it requested an appeal from its delist determination, the Company's shares would be suspended and scheduled for delisting. On November 17, 2022, the Company requested a hearing, which was held on December 15, 2022.

Decision

On January 10, 2023, Nasdaq notified the Company that the Company's request for continued listing on Nasdaq, subject to the following:

1. On February 27, 2023, the Company shall provide confirmation to Nasdaq that they have received approval for a reverse stock split; and
2. On April 17, 2023, the Company shall have demonstrated compliance with Listing Rule 5450(a)(1), by evidencing a closing bid price of \$1 or more per share for twenty (20) consecutive trading sessions.

Nasdaq reserves the right to reconsider the terms of this exception based on any event, condition or circumstance that exists or develops that would, in the opinion of Nasdaq, make continued listing of the Company's securities on Nasdaq inadvisable or unwarranted.

Resignations of Directors

Dela Salem and Justin Steinbach have resigned from the Company's board of directors effective January 5, 2023. The Company has Parimal Rana as its only director and is currently looking for replacements.

As a result, on January 9, 2023, trading of the Company's common shares have been halted on the TSXV for failure to maintain exchange requirements.

About The Very Good Food Company Inc.

The Very Good Food Company Inc. is a plant-based food technology company that produces nutritious and delicious plant-based meat and cheese products under VERY GOOD's core brands: The Very Good Butchers and The Very Good Cheese Co. www.verygoodfood.com (<https://www.newsfilecorp.com/redirect/vRkRruNLRR?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhllVZlcnktR29vZC1Gb29kLUNvbXBhbntkSW5jLg==>).

ON BEHALF OF THE VERY GOOD FOOD COMPANY INC.

Parimal Rana

Chief Executive Officer

Phone: 855 472-9841

Email: parimal.rana@verygoodbutchers.com (<mailto:parimal.rana@verygoodbutchers.com>)



Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws in Canada and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, including Section 21E of the Securities Exchange Act of 1934, as amended (collectively referred to as "forward-looking information"), for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Forward-looking information may be identified by words such as "plans", "proposed", "expects", "anticipates", "intends", "estimates", "may", "will", and similar expressions. These forward-looking statements include, without limitation, the Company's ability to appoint new directors, comply with Nasdaq requirements or find financing alternatives. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because VERY GOOD can give no assurance that such expectations will prove to be correct. Risks and uncertainties that could cause actual results, performance or achievements of VERY GOOD to differ materially from those expressed or implied in such forward-looking information. For a more

comprehensive discussion of the risks faced by VERY GOOD, please refer to VERY GOOD's most recent Annual Information Form filed with Canadian securities regulatory authorities at www.sedar.com

([https://www.newsfilecorp.com/redirect/JZaZvtaXPJ?](https://www.newsfilecorp.com/redirect/JZaZvtaXPJ?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==)

[r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==](https://www.newsfilecorp.com/redirect/JZaZvtaXPJ?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==)) and as an exhibit to the Form 20-F filed with the SEC on May 26, 2022 and available at www.sec.gov

([https://www.newsfilecorp.com/redirect/GOaOGtxqDz?](https://www.newsfilecorp.com/redirect/GOaOGtxqDz?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==)

[r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==](https://www.newsfilecorp.com/redirect/GOaOGtxqDz?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==)). The forward-looking information in this news release reflects the current expectations, assumptions and/or

beliefs of the Company based on information currently available. Any forward-looking information speaks only as of the date of this news release. VERY GOOD undertakes no obligation to publicly update or revise any forward-looking information whether because of new information, future events or otherwise, except as otherwise required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

None of the Nasdaq Stock Market LLC, TSX Venture Exchange, the SEC or any other securities regulator has either approved or disapproved the contents of this news release.

None of the Nasdaq, the TSX Venture Exchange or its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), the SEC or any other securities regulator accepts responsibility for the adequacy or accuracy of this news release.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/151058>

([https://www.newsfilecorp.com/redirect/QrargIz0RG?](https://www.newsfilecorp.com/redirect/QrargIz0RG?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==)

[r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==](https://www.newsfilecorp.com/redirect/QrargIz0RG?r=aHR0cHM6Ly93d3cubmV3c2ZpbGVjb3JwLmNvbS9jb21wYW55LzYwODQvVGhLVZlcnktR29vZC1Gb29kLUNvbXBhbntktSW5jLg==))



This is Exhibit "Q" referred to in the Affidavit of James Bruce affirmed before me at Vancouver, British Columbia, this 13th day of January, 2023.

Commissioner for Taking Affidavits



BDO Canada Limited
1055 West Georgia St, Suite 1100
Vancouver BC V6E 3P3

Attention : Jervis C. Rodrigues

November 29, 2022

Dear Mr. Rodrigues:

RE: The Very Good Food Company Inc. (the "Company")

Background

The Company is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. The Company is based in Vancouver, British Columbia.

The purpose of this letter is to confirm the terms upon which Waygar Capital (the "Lender") has engaged BDO Canada Limited ("BDO") as its financial advisor.

Scope of Engagement

BDO has been retained by the Lender to provide the following financial and other advisory services in respect of the Company:

- Review the financial and business affairs of the Company;
- Review the reasonableness of the budgets, financial statement projections, any existing and future business plans, strategic plans and initiatives and other information provided by the Company to the Lender, including a review and consideration of the nature and reasonableness of the assumptions in those plans underlying the future business prospects of the Company;
- Review the Company's cash flow requirements on a 13 week and long-term basis;
- Review the Company's current financial position including, but not limited to, an analysis of the Company's contracts, assets, liabilities, contingent liabilities and future obligations;
- Review pending litigation or claims against the Company;
- Review and analyze the Lender's security position;
- Provide recommendations with respect to restructuring and other alternatives available to the Lender and the Company; and
- Such other advice, reports and general financial advisory services as may be agreed upon by the Lender and BDO from time to time.



The Lender may at any time instruct BDO to cease its review and/or not to report on any of the above noted matters.

Reporting

BDO shall report directly to the Lender in writing or as otherwise requested in writing by the Lender.

Absent prior written consent letter from the Lender: (i) all reports issued by BDO may be issued solely to the Lender; and (ii) the Company may not be provided with access to any information or recommendations provided by BDO to the Lender.

Consent of Debtor

As outlined in this letter, the Company has consented to BDO's engagement by the Lender and will provide, among other things, the full cooperation of management.

Staffing

This engagement will be under the direction of Jervis Rodrigues, who will maintain overall responsibility for the engagement on behalf of BDO. BDO is authorized to use any of its employees or outside agents as BDO considers necessary in the investigation of the affairs of the Company.

The members of the engagement team may be drawn from the resources of BDO and those of its affiliated and related partnerships and corporations, including those of other BDO member firms in countries outside of Canada, as deemed appropriate, during the conduct of this engagement.

Fees/Remuneration

The Lender agrees that BDO's fees for this engagement will be based upon hours spent by those individuals assigned to this matter plus GST and expenses, including, but not limited to, travel, meals, accommodations, long-distance telecommunications, photocopying, delivery, postage, and/or third-party clerical assistance.

The hourly rates for this engagement are as follows:

Partners	\$600 per hour
Senior Managers / Vice Presidents	\$475 per hour
Managers	\$350 per hour
Analysts/Consultants/Seniors	\$150 - \$250 per hour

In addition to all reasonable out of pocket expenses, an administration fee of 4% of the actual fees, will be added to BDO invoices.

The Lender shall be responsible for payment of BDO's invoice(s) to the Lender pursuant to this Engagement when due.

Other Matters

The Lender acknowledges that:

1. it will independently assess the carrying value and loan provision to be applied to the relevant debt;
2. it will not rely on the BDO's work product as the sole or principal basis for that assessment;
3. BDO is only providing advice in connection with this engagement. BDO will not exercise any managerial or administrative authority, direction or control over the businesses or affairs of the Company, interfere with the conduct of the Company's business, sign cheques or otherwise take part in the management of the Company's affairs; and,
4. BDO's review will be based mainly on information supplied by the Company and the Lender and supplemented by discussions with management. The Lender understands that, although all information gathered will be reviewed for reasonableness, BDO will not be conducting an audit as part of this engagement. Therefore, BDO's work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or their officers and employees.

This engagement will not prohibit BDO from acting as Receiver, Receiver-Manager, Trustee in bankruptcy or Monitor under the Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act or any provincial legislation with respect to the Company or its subsidiaries.

BDO's acceptance of this appointment is conditional on obtaining the Company's consent to the appointment substantially in the form of consent attached hereto.

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

Yours very truly,

Waygar Capital

Per:

Name:



James Bruce

I have the authority to bind the Company



BDO Canada Limited

Per:

 December 5, 2022

Name:

Jervis Rodrigues

I have the authority to bind the Company

Consent on Behalf of The Very Good Food Company Inc. (the "Company"). On behalf of the Company, I acknowledge the contents of this engagement letter and agree to work with BDO Canada Limited as Financial Advisor.

The Very Good Food Company Inc.

Per: Pratik Patel

Name: Pratik Patel

I have the authority to bind the Company

